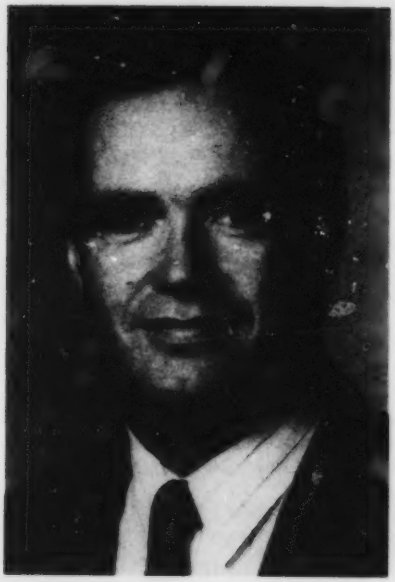
February, 1992

Starting a Business in Saskatchewan contains original material plus basic small business information adapted from the publications of other provinces and jurisdictions. The department appreciates assistance provided by these agencies, particularly the Ontario Ministry of Industry and Tourism, whose book, *Starting a Small Business in Ontario*, proved a valuable model for this Saskatchewan publication.



Minister's Message

Congratulations on your desire to own a Saskatchewan business!

More than 30,000 small enterprises in our province are owned and operated by enthusiastic, innovative men and women who, like you, want the challenge, pleasure and profit of small business ownership. New and experienced entrepreneurs, motivated by the spirit of enterprise, start more than 5,000 small businesses in Saskatchewan each year.

This book is a good introduction to planning, developing and operating a small business. It will help you become familiar with business structures, marketing, financing, obligations and regulations, and helpful federal and provincial government programs and services.

Your local Business Resource Centre is another valuable source of information and guidance. Knowledgeable consultants can help you examine business opportunities, assess viability and prepare business plans.

I wish you the greatest success in your business ventures.

Sincerely,

Dwain M. Lingenfelter
Minister
Economic Diversification
and Trade

Business Resource Centres
Economic Diversification and Trade

For further information and assistance call any of the offices listed below.

Regina
Main Floor, Saskatchewan Place
1870 Albert Street
Regina, Saskatchewan
S4P 3V7
Phone: 787-2207
Fax: 787-7055

Saskatoon
311-21st Street East
Saskatoon, Saskatchewan
S7K 2H6
Phone: 933-5750
Fax: 933-7692

Estevan
1314 - 3rd Street
Estevan, Saskatchewan
S4A 0S2
Phone: 634-0795
Fax: 634-9919

Swift Current
367 Central Avenue North
Swift Current, Saskatchewan
S9H 0L5
Phone: 778-8415
Fax: 773-4425

La Ronge
P.O. Box 5000
La Ronge, Saskatchewan
S0J 1L0
Phone: 425-4261
Fax: 425-4267

Buffalo Narrows 235-4441
Creighton 688-3403

Yorkton
#7 - 1st Avenue North
Yorkton, Saskatchewan
S3N 1J3
Phone: 786-1415
Fax: 786-1417

North Battleford
1281 - 100th Street
North Battleford, Saskatchewan
S9A 2V6
Phone: 446-7444
Fax: 446-7442

Lloydminster 825-6472

Moose Jaw
102 - 111 Fairford Street East
Moose Jaw, Saskatchewan
S6H 7X5
Phone: 694-3623
Fax: 692-6770

Prince Albert
Main Floor
800 Central Avenue
Prince Albert, Saskatchewan
S6V 6G1
Phone: 953-2275
Fax: 922-6499

Meadow Lake
207-3rd Street East
Meadow Lake, Saskatchewan
S0M 1V0
Phone: 236-7644
Fax: 236-7646

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Your Approach To Business

Small business is vitally important to the economy. The Department of Economic Diversification and Trade recognizes this by assisting small businesses.

This book is one example of that assistance, and on the following pages you'll find other ways we can help.

Starting Out

To start your own business you need:

- a product or service (or an idea for one);
- some knowledge of the type of business you intend to start;
- a business plan;
- money;
- knowledge about yourself.

Almost everyone has thought about starting a business. Independence ... being your own boss ... making a profit in addition to your salary ... being the key decision maker ... freedom from routine. All these are powerful motivating factors.

Now let's take a look at the other side of the coin.

Being your own boss means making and living with your decisions. The wrong decision can cost you money; too many wrong decisions can put you out of business!

As a business person you will have to meet payrolls, pay rent or mortgages, pay creditors, contend with conditions beyond your control, such as adverse economic trends or strong competition, and you will work longer hours than you ever did before. Unfortunately, you will still not be your own boss entirely. You must satisfy your customers, your creditors and your employees, and must conform to government controls.

Look at both sides of the picture and decide if you are the type to assume these risks and responsibilities. Remember, you will be your most important employee, so be completely honest in your evaluation of yourself.

Evaluate Yourself

Here are some questions you should ask yourself before making any commitments:

- have you had enough experience in this type of business?
- have you ever been a manager?
- are you willing to risk your savings in this venture?
- have you the full backing of your spouse?
- do you have a secondary source of income in your family?
- do you have a strong desire to make money?

In legal terms do you fully understand:

- joint and several guarantees?
- personal guarantees?
- partnerships?
- sole ownership?
- limited company?

It is strongly recommended that you discuss your proposal with a lawyer, an accountant and your banker.

Management

The largest single cause of business failure in Canada is poor management, according to Dun & Bradstreet. If you are the owner or partner in a small business, its success or failure will depend on your management skills. Those skills will be tested even before the business is established.

Since the main idea of a business is to make money, decide if the return on the money you invest will be greater than what you could earn working for someone else.

As a prospective business person, examine the rate of return on the business you propose to start in comparison to what returns you could get from other types of business for the same investment.

Experience

Experience is the greatest of all teachers. It will help you avoid mistakes, anticipate consequences of your actions, plan alternatives, gauge your resources and profit from advantages. If you have no experience in the type of business that you want to start (or in a similar business), it's a good idea to work for a while for someone else who is already established.

Confidence

You must have confidence in yourself. Confident people take the initiative; people who take the initiative are decision makers; and decisions are the most important action needed in business.

If your confidence is based on knowledge and experience, you are much more likely to be a winner.

Going into business involves risk. You reduce risk by careful planning. Your chance of success will depend largely on how well you have examined all aspects of the business before you start it.

To help you plan systematically, go through this checklist carefully, making notes or charts as you need them.

(Some of the points pertain more to manufacturing than service businesses, but we think you'll find all the points helpful. They're grouped around four main subjects.)

Market Analysis

Your customers:

- Who are they? Age, sex, income?
- Where do they live, play, shop?
- How often do they buy? Seasonal?
- Cash or credit?
- Can you afford to carry accounts receivable?
- How big in dollar terms is your market potential?

Your competition:

- How big, how old, how strong?
- What percentage of the market do they have?
- How far away?
- What advantages do you have?
- What advantages do they have?
- What percentage of the market will you get?

Your products:

- Are they unique, eye appealing?
- Better designed, higher quality?
- What sizes, any special packaging?
- Is there a need for your products?
- Must you offer a guarantee?
- What will be your return policy?
- Must you stock parts for service?

Pricing:

- Do you know what to charge to cover your costs?
- Are your prices competitive?
- How important is low price?
- Is service more important?
- Must you give discounts for cash, volume, distributors, salespeople?
- What will discounts do to your markup?
- Must you include delivery cost in your price?

Advertising:

- How much is normal for your products?
- What media? How often? Seasonal?
- Do you have a logo or trademark? Is it registered?
- Is any free publicity available?
- Will you need an advertising agency?

Buying:

- How much of each will you buy? From whom?
- Are you getting the best deal?
- Is volume discount eaten up by slow turnover?
- Can you return unsold merchandise?
- Have you a stock control plan to avoid overstocks, understocks and out of stocks?
- Have you established a line of credit with each supplier?
- How must you pay: COD, 30 days, 60 days?

Distribution:

- If you are a manufacturer, how will you sell: dealers, distributors, sales agents or direct to consumers?
- What is common in the industry?
- Do transportation costs dictate the best method of distribution?

Location

Zoning:

- Present zoning and future zoning?
- If it must be rezoned, what time span is involved and at what cost?

Building:

- Outside and inside appearance?
- Layout, lighting, heating, floors, acoustics, comfort, waste disposal, parking, landscape, snow removal?
- Outside storage — permissable?

Lease:

- Has it been checked by your lawyer?
- Is it too short or too long?
- Any options available?
- Who pays to have the lease drawn?
- What are you responsible for?
- What is the landlord responsible for?

Approvals:

- Will government regulatory bodies approve your use of the building?
- Zoning, health, fire marshal, transportation, environment, labour. (For details, see page 60)

Transportation:

- Shipping doors? Truck access?
- Any truck/road restrictions?
- Is there a truck terminal nearby?
- Are rail or air important?
- Is it on a bus route for your staff?
- Air express, courier or other specialized transport services required?

Utilities:

- Power supply, water, sewer, gas?
- What does each cost?
- Are they adequate?
- How much to upgrade them to your requirements?

Taxes:

- Present and future assessment for property and business taxes.

Protection:

- Regular police patrols?

- What kind of fire protection?
- Hydrants nearby?
- Sprinkler system?
- Night watchman?
- Any history of vandalism?

Neighbourhood:

- How stable is it? Getting better or worse?
- Are you compatible with the neighbours?
- Will you enjoy living nearby?

Restrictions:

- Are there protective covenants that will limit your sales?
- Any legal easements on your property?
- Can you grow in physical size?

Insurance:

- Fire, theft, public liability, staff liability, business interruptions?
- If no sprinkler system, can you get insurance?
- What insurance rating is on the building?

Suppliers:

- Are you near them? Is it important?
- Can you get quick service when you need it?

Labour

- How many employees — male and female?
- Skilled or unskilled — are they available?
- What wages will you offer?
- What are competitive wage rates in the area?
- What fringe benefits? What hours?
- How will you find new employees?
- Can you train your staff?
- Who is in charge of whom?
- How to handle pilferage?
- Controls over cash and inventory?
- Do you need a safe?
- Who has keys?
- Bonding of employees?

Equipment

- List all equipment, fixtures, furniture required.
- New or used?
- Installation costs, how low?
- Terms of sale and guarantees?
- Any duties or sales tax extras?
- Can you make some of your own equipment?
- Maintenance costs?
- Work flow chart or plant layout?

Number Of Inhabitants To Support Store
(by selected kind of business)

National Averages

Kind of business	Number of Inhabitants per store
Food stores	
Grocery stores, including delicatessens	770
Meat markets	11,463
Fish (seafood markets)	51,971
Fruit stores, vegetable markets	21,259
Candy, nut, confectionary stores	12,594
Dairy products stores	29,728
Bakery procuts stores	10,126
Eating, drinking places	
Eating places	842
Drinking places (alcoholic beverages)	1,705
General merchandise	
Department stores	44,379
Dry goods stores	34,152
General merchandise stores	6,899
Variety stores	8,430
Apparel, accessory stores	
Shoe stores	7,679
Women's clothing specialty stores	4,247
Children's/infant's wear stores	33,057
Men's & boys' wear	8,403
Furniture, home furnishings, appliance dealers	
Furniture; home furnishings stores	3,437
Household appliances, radio, TV stores	6,148
Music stores, records and musical instruments	23,363
Automotive groups	
Passenger car dealers (franchised)	5,657
Passenger car dealers (non-franchised)	6,741
Tire, battery, accessory dealers	7,284
Aircraft, boat, motorcycle dealers	30,497
Household trailer dealers	46,456
Lumber, building materials, farm equipment dealers	
Farm equipment dealers	11,530
Lumber, building materials dealers	6,510
Paint, glass, wallpaper stores	16,230
Heating, plumbing, equipment dealers	40,589
Hardware stores	6,374
Drug stores, proprietary stores	
Drug stores	3,749
Proprietary stores	42,740
Other retail stores	
Fuel, ice dealers	7,559
Hay, grain, feed stores	13,547
Farm, garden supply stores	16,744
Jewellery stores	9,011
Book stores	59,815
Stationery stores	33,290
Sporting goods stores	17,270
Bicycle shops	100,083
Florists	9,527
Cigar stores, stands	38,509
News dealers, news stands	29,533
Gift, novelty, souvenir stores	14,965
Camera, photographic supply stores	57,030
Luggage, leather goods stores	140,684
Optical goods stores	14,792
Antique, secondhand stores	7,313
Hobby, toy stores	44,099
Pet shops	82,455

Source: Bureau of the Census, U.S. Department of Commerce

Buying An Established Business?

Pros	Cons
Buildings, equipment, inventory and staff are operational.	Buildings and equipment may be unsuited or obsolete.
Location is good.	Location may be poor for this type of business.
Product or service is already being produced and sold.	Inventory may be loaded with dead stock.
Market and goodwill are established.	Accounts receivable may be too high or uncollectable.
Cash flow is being generated.	Hidden reasons such as lease expiring and not renewable; zoning changes; deteriorating local conditions; bad relationships with banks and suppliers.
Relationships established with supplier and banks.	No growth potential.
Good growth potential.	Labour problems.

This quick, general checklist will point you in the right direction, but also be very specific in your evaluation, beginning with the two most important groups of questions:

1. Why do I want to buy this business?

   Do I know anything about this particular type of business? Do I have enough general business experience to risk my present job and my future on the outcome? Do I know the details about the business that I am proposing to buy?

2. Why does the owner want to sell?

   Am I buying his broken dream? Are there hidden problems? Is there really a future for me in this business and in this location? Do I know the area well enough to make an intelligent decision?

How to Check it Out

- Have your accountant check the financial records for the past two to five years. (Records for one year could be inconclusive, because they could be affected by special circumstances. Check for a good **current ratio, acid test ratio,** and **retained earnings** position. See pages 8 and 9).
- Check with all authorities (federal, provincial, municipal) who might have any control over the business.
- Check leases, mortgages and special permits for renewals, interest rates, etc.
- Compare what you are giving up against what you will get out of the venture.
- Check the potential profitability of the business.
  The only reason for going into business or buying a business is to make money!

- Finally, get a reliable appraisal of what the business is **actually worth.** You may have to get professional help to do this, but **do it anyway.** It may save you thousands of dollars. The people whose services you need most at this time are an accountant, a lawyer, and a qualified appraiser.

Some Ways To Measure

	Ratio or Other Measurement	Method of Computation	Significance
1.	Earnings per share on common stock	Net income - preferred dividends / o/s shares of common stock	Gives the amount of earnings applicable to a share of common stock.
2.	Dividend yield	Dividend per share / Market price per share	Shows the rate earned by stockholders based on current price for a share of stock.
3.	Price-earning ratio	Market price per share / Common stockholders' equity	Indicates whether price of stock is in line with earnings.
4.	Book value per share	Common stockholders' equity / o/s shares of common stock	Measures net assets as reported on books behind each share of stock.
5.	Operating expense	Operating expenses / Net Sales	Indicates management's ability to control expenses.
6.	Returns on total assets	Net income + interest expense / Average investment in assets	Measures the productivity of assets regardless of capital structures.
7.	Return on common stockholders' equity	Net income - preferred dividends / Average common stockholders' equity	Indicates the earning power on common stockholders' equity.
*8.	Equity ratio	Total stockholders' equity / Total assets	Shows the protection to creditors and the extent of trading on the equity.
9.	Number of times Interest earned	Operating income / Annual interest expense	Measures the coverage of interest requirements, particularly on long-term debt.
*10.	Debt ratio	Total liabilities / Total assets	Indicates the percentage of assets financed through borrowing and the extent of trading on the equity.
11.	Times preferred dividends earned	Net Income / Annual preferred dividends	Shows the adequacy of current earning to pay dividends on preferred stock.

*12.	Current ratio	$\frac{\text{Curent assets}}{\text{Current liabilities}}$	Measures short-run debt-paying ability.
*13.	Quick (acid test) ratio	$\frac{\text{Quick assets}}{\text{Current liabilities}}$	Measures the short-term liquidity of a firm.
*14.	Inventory turnover	$\frac{\text{Cost of goods sold}}{\text{Average inventory}}$	Indicates managment's ability to control the investment in inventory.
15.	Accounts receivable	$\frac{\text{Net sales on credit}}{\text{Average receivables}}$	Indicates reasonableness of accounts receivable balance and effectiveness of collections.

*The most frequently applied tests.

Considering A Franchise?

Pros	Cons
Experience and know-how available.	Franchisor may not have knowledge and experience.
Training of franchisee and staff.	Training may be incomplete or insufficient.
Continuing support and source of information.	Franchisor may not live up to his promise of continuing support.
Established image.	Image may be a detriment.
Services and supplies available from franchisor.	Services and supplies may be more expensive than if purchased elsewhere, or may not be of any value to you.
Start-up assistance.	Franchisor could over-saturate the market.
	Profits may be less than you have been led to believe.
	There may be no room for flexibility of operation.
	If the franchisor operates from another province or country, you may have no legal protection.
	Fees may be too high.

Franchising allows a small entrepreneur to tap the highly developed management, marketing and purchasing skills of a large company with proven experience and a high public profile.

The arrangement is covered by a contract. The franchisor usually demands a franchise fee to start up, plus a royalty on sales which the franchisee makes. The franchisor may provide personal training, assistance in advertising, lease financing, use of trade marks and logos, and supply of product or equipment. The franchisee is given the use of the company name.

The franchisee has some degree of autonomy, but must conform to the contract terms spelled out by the franchisor. These restrictions vary greatly, depending on the product or service being franchised. Consult your lawyer to be sure you understand the contract terms.

Franchising is growing rapidly, but there are still no specific laws for this type of business. You must rely on your own good judgement, the advice of professional counsellors and the integrity of the franchisor you are dealing with.

Most leading franchisors belong to the Association of Canadian Franchisors, which offers advice and assistance to interested business people, and has published a booklet entitled "Investigate Before Investing."

Before entering a franchise, do the same careful analysis that would apply to starting any other type of business. Though franchisees are self employed, they must conform to someone else's pattern of doing business. Success will depend largely on your ability to operate as part of a team and to follow the franchisor's proven methods of operation. Even as you gain experience, close co-operation with the franchisor will continue to be important.

Assess and compare franchises well before signing an agreement. Ask questions such as:

The Franchisor

- What is the franchisor's background, financial condition and reputation?
- What services will be provided and at what cost?
- Can you review their audited financial statements?
- Will they help with marketing, training, financing, etc.?
- How long has their present management team been with the company, and what are their backgrounds and reputation?
- Will they help select a location and design the premises?
- How many franchisees do they have, where are they located and how long have they been in operation?

The Product or Service

- Would you buy it?
- Is it a fad, a seasonable item, a staple or a luxury?
- Is it well known?
- Are there warranties or guarantees; who is responsible for them?
- Are there provincial or federal requirements?
- Is it competitive?
- Is it protected by patent, copyright or trademark; can it be easily copied?
- Is it marketable in your area?

The Territory

- Is it exclusive, well defined, large enough?
- Is it the right territory (residential, commercial, industrial) for the product?
- What is present and projected population (for at least five years)?
- What is planned for the area (highways, rezoning, etc.)?

Direct Marketing

What it **isn't:**

Direct marketing **isn't** a business: it is simply a method of doing business.

Direct marketing **isn't** direct mail. Direct mail advertising is only one of the uses for direct marketing.

Finally, direct marketing **isn't** a shortcut to riches that requires virtually no investment and no experience!

Direct marketing is selling directly to individual customers, without requiring the customer to come to your premises. However nearly every known business need is encountered in using the direct marketing method: financing, management, advertising, buying/selling, collecting, controlling inventory, warehousing, bookkeeping, etc. In other words, the same requirements for operating any business also apply to the direct marketing method. It is subject to the same principles of planning and cash control as any other business, and is governed by similar laws, regulations and licences.

If you want to set up a business using the direct marketing method, you should consult your accountant and your attorney, register your business or incorporate, and check all municipal, provincial and federal regulations.

Check with the Canadian Direct Marketing Association. This is a highly professional organization whose board of directors is composed of some of Canada's leading business people. They monitor direct marketing in Canada and also offer a course for beginners.

Pitfalls To Avoid

The pitfalls of business* include:

- lack of experience;
- lack of money;
- the wrong location;
- inventory mismanagement;
- too much capital going into fixed assets;
- poor credit granting practices;
- taking too much money out for yourself;
- unplanned expansion;
- having the wrong attitudes.

What can be done about these pitfalls:

- recognize limitations;
- plan;
- keep records;
- watch the balance sheet, not just the profits;
- investigate;
- work with suppliers and banks;
- learn;

- use professional assistance;
- watch your health.

* Source: W.H. Kuehn, "The Pitfalls in Managing a Small Business" (New York: Dun & Bradstreet, March 1973)

Property Leasing

Whether your new business space will be retail, industrial, office (or a combination of the three), you are facing one of your first major decisions in business.

You must choose the right location, the right size to meet your requirements at the right price or lease rate and, since you will be locked into an agreement for probably one to five years, your decision must be based on the best information available.

The sections on market analysis and location, beginning on page 39 of this book, will help you evaluate your requirements.

Because of the long lasting impact of the decisions you are about to make, you should obtain the best advice possible. Unless you are expert in these matters yourself, consult a qualified, reputable real estate firm which specializes in commercial or industrial leasing.

Leasing Retail Space

Having selected a potential location, your next consideration is size.

If you require a small space, for instance, keep in mind that it is very difficult to find good streetfront space under 800 square feet. Therefore, you will almost certainly be placed in an indoor mall.

The smaller retail spaces command much higher rates per square foot, as they are generally located in high traffic areas. The compensating factor is that, because of the heavier traffic and greater exposure to impulse buyers, you may be able to achieve greater sales dollars per square foot.

An important point: most people think they need more space than they actually do. Good space planning and merchandising techniques can bring your requirements into proper perspective.

Types of Leases

The terminology of commercial and industrial leasing can be confusing. The most common form of retail lease is generally quoted at so much per square foot per annum ("wholly net against percentage") with the total being divided into 12 equal payments.

"Wholly net" means that all operating costs (such as heating, electricity, taxes, etc.) are paid by the tenant, whether they are metered directly to him or he is charged for them on a proportionate share basis.

"Against percentage" refers to the fact that the rate is being quoted as the greater of either "x" dollars per square foot per annum **or** a stated percentage of gross annual sales, wholly net (usually six per cent to eight per cent of gross sales for most retailers).

Rates

Rates are the result of many factors, and will vary from town to town, region to region and even from one section of a city or town to another. A good realtor will be extremely helpful, since he will be familiar with all of the local rates and can help you make a sound decision.

Remember: before you negotiate percentage rents, you should know what percentages are prevalent in your particular business, what rate of rent-to-sales the business can accept, and what sales volume the operation can generate per square foot. As to whether you can afford the rates quoted, you can be guided by the following rules: for most retail operations **the total occupancy cost** (that is the combination of the minimum annual rent or percentage rent and utilities and other operating costs) **should never amount to more than eight per cent of the gross annual sales.**

Most leases are for a five-year term, perhaps with an option clause allowing an increase in rent. Food-related tenants can usually qualify for longer terms because of the higher cost of their improvements to the premises. Because improvements of some kind are undertaken by most tenants, landlords usually provide some degree of tenant allowance.

When you examine the lease, pay close attention to the "use" clause. Be sure that it specifically allows you to sell the type of merchandise you will be featuring.

And remember to take a copy of the "offer to lease" and the landlord's standard lease form to your lawyer for his opinion before signing any documents.

Leasing space for light industrial use is no different than other business transactions: first know your requirements, and then be aware of the terms of the agreement binding the transaction.

Regarding requirements, carefully consider your particular type of business. (Chapter 5, your venture checklist, will be a useful guide.) For instance: how much space should be devoted to warehouse or manufacturing and how much to office use? A good rule of thumb is that the ratio of office to warehouse/manufacturing is roughly 1 to 10.

Clearly define physical space layout. Ceiling height is very critical. Perhaps your business is such that the cubic measurement (for stocking inventory) is much more important than square footage.

Another consideration is the method of shipping products. If truck level shipping is required, the floor of the plant must be level with the floor of the truck. If grade level shipping is your choice, the plant floor must be level with the outside driveway.

In the search for space, you most likely will be exposed to the industrial condominium, a concept similar to the residential condominium. While there are many advantages, such as equity build-up and tax savings, there are limitations, also. Industrial condominium space is normally not smaller than 1,500 square feet. Therefore, to consider a condominium, you must be fairly certain that your space requirement will remain constant. If at a later date you find you must expand, you would have to sell, perhaps at a time that will interfere with the smooth operation of your business.

You need expert advice on location, lease terms and rates to make comparisons. Seek

the assistance of a competent, specialized realtor to discuss the following points:

- Is the rental rate being quoted on a square foot basis per annum or otherwise?
- Is the amount quoted net, gross or semi-gross?*
  Most common is a net rental. This means that the tenant pays all the extra costs such as real estate tax, business tax, heating, electricity and so forth. The space might be quoted on a net basis, but the lease may read that the tenant undertakes to pay to the landlord, in monthly payments, one-twelfth of the annual total of these extra expenses.
- Does the industrial zoning applicable to the building permit your particular type of business?
- When going into a multi-unit building (basically the source of small space units), ensure that you have the right of first refusal on any adjoining space so that you might acquire that space if you need to expand.
- Check the term of the lease. For small space, this can vary from three to five years. While some landlords are willing to accept a one-year term, they will likely also ask a premium.
- While the rental rate is generally quoted on a square foot per annum basis, you will have to make monthly payments.
- If your company is newly formed, the landlord may require a personal covenant (i.e. you will have to personally guarantee rental payments should the company be unable to make them).

When you are satisfied that the space and terms meet your requirements, take the lease to a lawyer for final clarification and approval before you sign.

Owning Your Space

Faced with the increasing cost of leasing, many small and medium sized business consider ownership.

The important question is whether the concept is valid for your particular business. The matter is not subject to easy generalization, and every situation is usually unique.

To appreciate the financial advantages of ownership, consider the following:

In past years, it was possible to obtain fixed leases for up to 20 years. With such leases, the financial benefits of owning versus leasing were minimal. However, given current economic conditions, there are several advantages to owning over leasing:

- Tax saving ... including deductions of interest payments on any financing plus capital cost allowance or depreciating for owning.
- Capital appreciation ... in the current economy you can expect an increase in the value of commercial real estate to improve in the future.
- Equity build-up ... if the ownership is financed by any form of debt financing such as a mortgage (which is usually the case), repayment of the principal constitutes equity build-up to the point where the real estate is finally owned 100 per cent.
- Cash flow ... it is often possible to generate cash flow through leasing space to tenants.

* "Net" means only the rate quoted per square foot per annum, not including extra costs. "Gross" means all inclusive, including extra costs noted previously. "Semi-gross" means quoted rate, plus specified other costs.

Your Financing

The success or failure of your business will depend on whether you have enough capital to:

- buy the equipment and inventory you need;
- pay overhead costs such as rents, salaries, etc.;
- have a large enough reserve fund for extra working capital; for taking advantage of "specials"; and for surviving temporary setbacks.

What Funding Do You Need?

Your funding requirements can be broken down into two main categories:

1. Initial costs ... land, building, fixture, machinery, supplies, vehicles, pre-opening expenses and opening inventory;
2. Daily operating costs ... rising inventories, payroll, rent, taxes, advertising, accounts receivable, etc.

It is essential to know what all these costs will add up to. You must prepare a cash flow forecast, which will give you a reasonable estimate of your cash requirements for the first 12 months. Some instructions and sample forms are included later in this chapter. If you cannot do a cash flow forecast yourself, call the nearest Economic Diversification and Trade Business Resource Centre, or hire someone to do it for you.

The money required to operate your business can come from several sources, including: your own savings; or loans from friends, relatives, investors, chartered banks, credit unions, the Saskatchewan Economic Development Corporation or the Federal Business Development Bank. Other financial assistance may include lines of credit from your various suppliers.

Two Types of Borrowed Funds

Long term financing:

- used to buy fixed assets such as buildings, machinery and fixtures; paid back in equal monthly instalments;

Short term financing:

- used to pay for current assets such as inventory, accounts receivable and other working capital requirements. Usually covered by a demand note at the bank, and fluctuating weekly or monthly depending on the need.

It is easier to borrow money by pledging fixed assets, so don't put all your equity into machinery or buildings; save it for working capital needs.

What lenders need to see:

- you can repay the loan out of normal business activities;
- the loan is big enough to do the job;
- a description of your project in writing;
- cash flow projections for the first 12 months, including repayment plans;

- projected profit and loss for the first and second year;
- list of stock and equipment;
- list of assets you can offer as collateral;
- short history of your business experience;
- statement of your personal net worth.

Cash Flow Forecasting

A cash flow forecast is your most useful tool to help ensure financial solvency. With this forecast you try to predict all the funds that you will receive and disburse, and the resulting surplus or deficit. You take into account not only the operating and capital budgets, but also the ratio of cash sales to credit sales and the paying habits of your customers. To estimate cash outflow you must also consider the promptness with which you intend to pay for your materials and merchandise.

By making a cash flow analysis you can estimate:

- how much cash will be needed to operate your business each month;
- when you will need additional short term funds from the bank;
- when you will have surplus funds to reduce your bank loans.

This information can assist you in timing your capital expenditures more appropriately, accelerate collection of accounts receivable, ward off a cash shortage, plan short term borrowing well in advance and perhaps invest a temporary surplus.

Start Your Own Forecasting

Here is an example of cash flow; enter your own figures on the forms. These completed forms will be used in your business plan, which is covered later in the guide.

1. Cash Flow Forecast.
2. Statement of Income & Expenses.
3. Personal Statement of Net Worth.
4. Pro Forma Balance Sheets.
5. Statement of Accounts Receivable.

Cash Flow Forecast

CASH RECEIPTS	Month 1	Month 2	Month 3	Month 4
Cash Sales				
Collection of Accounts Receivable				
Loans				
Other Cash Receipts				
Total Cash Receipts				

CASH DISBURSEMENTS

Purchase of materials or stock				
Purchase of fixed assets				
Accounting and legal fees				
Advertising				
Vehicle expense and travel				
Business tax, fees, licences				
Property taxes				
Management salaries				
Other salaries and wages				
Employee benefits				
Rent				
Insurance				
Interest and bank charges				
Payment on loans/mortgages				
Maintenance and repairs				
Freight				
Telephone				
Utilities				
Office expenses, postage				
All other operating expenses				
Income tax payments				
Total Cash Paid Out				
Cash Surplus or (Deficit)				
Opening Cash Balance				
Closing Cash Balance				

Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Total

Statement Of Income And Expenses

Sales				
Cost of goods sold				
Inventory at beginning				
Purchases				
SUBTOTAL				
Less inventory at end				
Cost of goods sold				
GROSS PROFIT				
Expenses				
Accounting & legal				
Advertising				
Automobile expenses & travel				
Business tax, fees, licences				
Property taxes				
Management salaries				
Other salaries & wages				
Employee benefits				
Rent				
Insurance				
Interest, bank charges				
Maintenance and repairs				
Freight				
Convention expenses				
Telephone				
Utilities				
Offices expenses, postage				
All other operating expenses				
Depreciation				
TOTAL EXPENSES				
NET PROFIT BEFORE TAX				

Personal Statement Of Net Worth

Date _____

Name _____

Address _____

General Information

Phone Home	Business	Age	M or S	Dependents Including Spouse
Present Employer		Position Occupied		How long with this Employer
Previous Employer				How Long
Landlord	Address			Monthly Rental $
Salary Wages or Commission Per Annum $	Other Income Per Annum $		Source	
Guarantees on Debts of Others	Name		Amount	

Assets

Bank Accounts	
Stocks at Cost Market Value _____	
Bonds at Cost Market Value _____	
Life Insurance Cash Surrender Value Beneficiary	
Automobile - year - make	
Home - Registered - Building Size Lot Size	
Other Assets	
TOTAL	

Liabilities

Bank Loans	
Charge Account	
Other Charge Accounts	
Policy Loans on Life Insurance	
Other Loans	
Instalment Purchases	
Mortgages Interest Rate Terms Payments	
Taxes	
Other Liabilities	
SUB TOTAL	
Net Worth	
TOTAL	

_____

Signature

Pro Forma Balance Sheet

Date _____

_____
(Name of Company)

Date of Statement				
Assets				
Current				
Cash & Bank Accounts				
Stocks & Bonds (Mkt. Val. $)				
Cash Value Life Insurance				
Accounts Receivable (attach aged list)				
Less Allowance for Doubtful				
Inventory at Lower of Cost or Market				
Prepaid Expenses				
Other Current Assets				
TOTAL CURRENT ASSETS (A)				
Fixed				
Land & Buildings				
Less: Accumulated Depreciation				
Furniture, Fixtures & Equipment				
Autombiles				
Less Accumulated Depreciation				
Leasehold Improvements - Net				
Other Assets				
TOTAL ASSETS				
Liabilities				
Current Debt				
Bank Loans				
Loans - Other				
Accounts Payable & Cheques in Transit				
Withholding and Sales Taxes Payable				
Income Taxes Payable				
Current Portion of Long-Term Debt				
Other Current Liabilities				
TOTAL CURRENT LIABILITIES (B)				
Long Term Debt				
Mortgages & Liens Payable (att. details)				
Less Current Portion				
Loans from Shareholders				
Other Loans of Long Term Nature				
TOTAL LIABILITIES				
Net Worth				
Total Liabilties and Net Worth				
Working Capital (A-B)				

Statement Of Accounts Receivable

at 19

Date _____

_____

(Name of Company)

_____

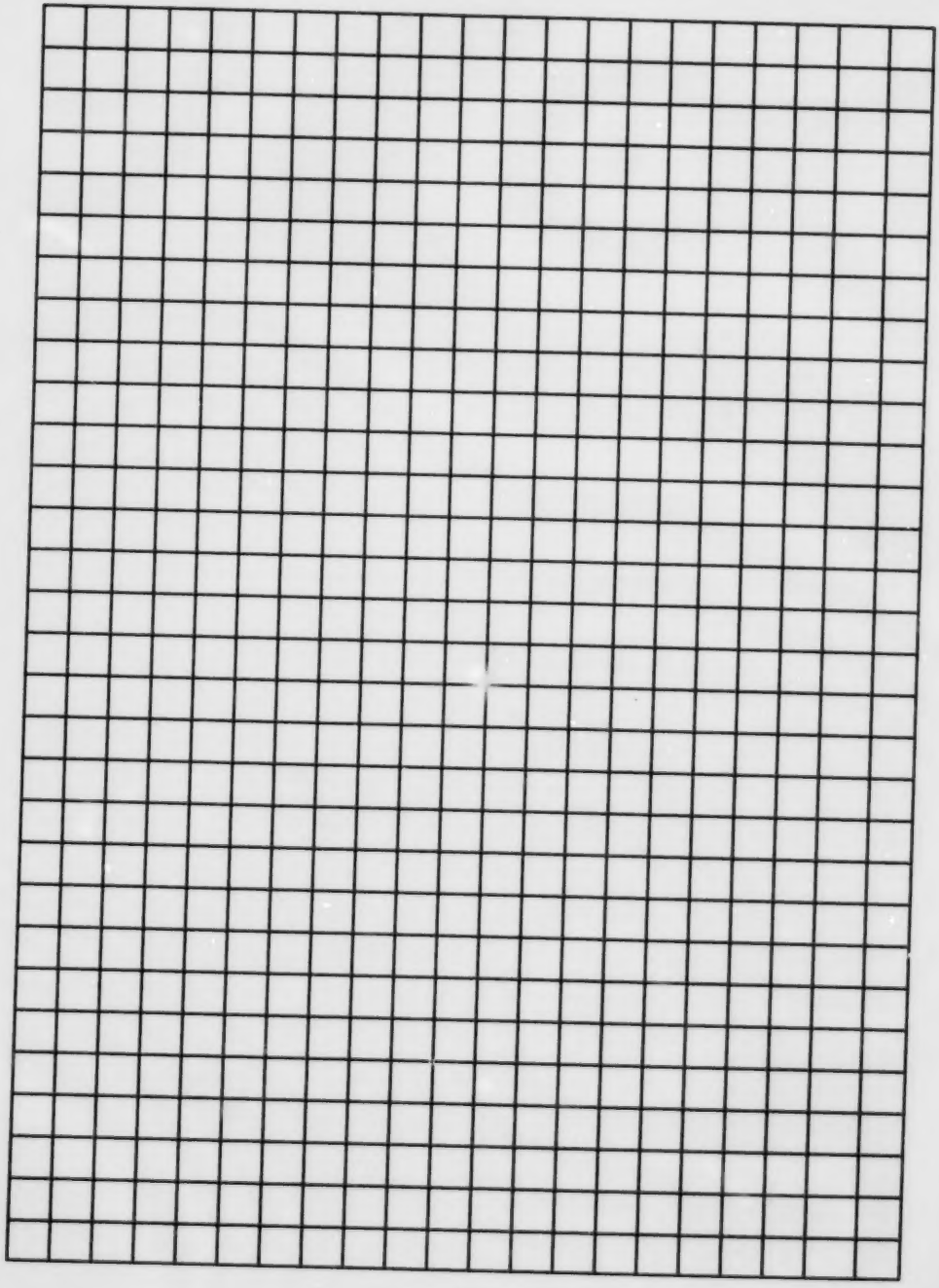
Names of Debtors	Total (Omit Cents)	Current (Omit Cents)	31-60 Days	61-90 Days	Over 90 Days & Holdback	Remarks
1. Sub Totals $						
2. *Aggregate of accounts under $ $						
3. *Number of Accounts	No	No	No	No	No	
4. Totals						
Percentage	100%	%	%	%	%	
Total last Statement dates $						
Date						
Percentage	100%	%	%	%	%	

The undersigned submits the foregoing to be a true statement of accounts receivable.

_____

Signature of Customer

Notes



Bookkeeping

Failure to keep adequate records from the start is a problem which plagues many small businesses. Without records there are no controls, and without controls there can be no effective management. Lack of proper records can also cause major embarrassment when dealing with banks, and can lead to difficulties with tax departments and other government agencies.

It's important to keep records simple and precise. As you become more familiar with the business, additions can be made to the recordkeeping system to reflect the uniqueness of the operation.

Previous experience in keeping records can be a great asset to any business. If this experience is not already available, get qualified help to set up a system for you right from the start.

Remember:

- any system of bookkeeping is only effective if it is used;
- it should provide **current** and **accurate** information;
- it should be used to help you control your business, providing up-to-date information which you use to make decisions.

Controlling Your Credit

Maintaining a proper cash flow is probably the single most important factor in operating a successful business.

According to the president of one of Canada's leading collection agencies, cash flow problems can often be solved simply by making sure you are paid promptly. Statistics show that the longer you allow a customer's account to go unpaid, the greater the risk it never will be paid in full. Therefore, the control and collection of accounts receivable is most important.

Remember: unless you are paid on time, you always run a risk of not being paid. **This risk should be minimized by proper procedures** such as:

- knowing your customers;
- making sure terms are clearly understood;
- making sure your customers can meet the terms;
- billing promptly;
- demonstrating that you expect prompt payment;
- maintaining dated accounts receivable;
- following up overdue accounts;
- engaging a professional collector as soon as you identify that there is a collection problem with a customer.

How To Collect

When should you turn an account over to a professional collector?

Just as soon as you see there is a problem that you cannot solve, or when someone else can collect it at a net cost lower than you can yourself.

Here are some of the signs of a problem:

- when you lose communication with the customer;
- when there are unjustified demands;
- when the excuse for nonpayment could have been foreseen by the customer prior to the purchase.

Usually, an account should not be allowed to run more than 30 days beyond the due date. The customer either is using your money to satisfy someone else, or does not have the money at all. Neither situation should be tolerated. If your first account cannot be paid according to the terms, do not continue to supply services or merchandise to that customer in the hope that the full account will be paid on a later due date.

When personal efforts fail, there are two other recourses available to you. The first is legal action, but litigation is slow and costly, and generally impractical unless the amounts involved are very large. The second is to turn over the account to a good collection agency.

Choose an agency that can meet your requirements and whose ethics and standards are consistent with the way you wish to conduct your business.

Bad Cheque Control

Bad cheque artists steal millions from small businesses every year. Ironically, the small business helps them because it:

- is too trusting;
- is too embarrassed to insist on proper identification; or
- has failed to properly train staff.

It's always difficult (and usually impossible) to recover money lost this way. Prevention is far more effective than recovery.

Risks can be greatly reduced by:

- limited cheque cashing authority to certain delegated employees only, who must initial cheques;
- establishing a maximum limit to cheques that authorized employees may accept.

Learn to recognize the characteristics of people who are deliberately passing worthless cheques. Here are a few of the danger signals:

- a stranger who objects to providing identification, but names well known people as his friends;
- a client who wants to write a cheque for more than the value of the merchandise and wants the difference back in cash;
- a cheque issued by an unknown company, especially if it is not properly printed on safety paper;
- a second party cheque ... the chance of fraud is doubled;
- a postdated cheque or one which has been altered in any way;
- a client who presents a cheque made out to a company which he claims is his, therefore giving him signing authority;
- a cheque presented by a juvenile ... children are not legally responsible;
- a cheque presented by a stranger on a weekend or holiday, when it is not possible to verify with a bank;
- an out of town cheque ... increasing risk and diminishing the chance of recovery.

Train your employees to follow this procedure for examining the critical items on every cheque:

B — Bank ... are the bank and branch clearly identified?
A — Amount ... do written and numerical amounts agree?
D — Date ... is the cheque dated? Is the date correct?
P — Payee ... the endorsement should correspond to the name of the payee on the face of the cheque.
I — Identification ... Insist on at least two independent pieces of ID.
E — Endorsement ... the cheque should be endorsed exactly as drawn, and in ink.
S — Signature ... make sure the signature matches that shown on the identification you requested. Have the cheque endorsed in your presence.
M — Magnetic ink characters are not obliterated.

Finding A Source Of Funds

The most common source of financing for small business is the chartered bank. To provide working capital, banks can provide short term loans, long term mortgage loans and loans against inventory or accounts receivable, etc.

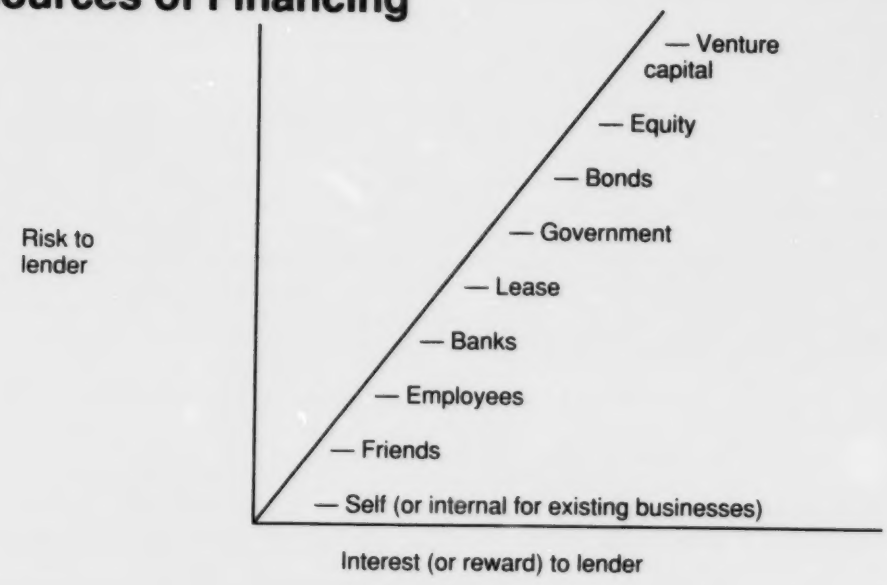
Banks also offer a full range of banking services, including: personal and business deposit and loan accounts, buying and selling of foreign exchange, purchase and sale (or safekeeping) of securities and other valuables, letters of credit and the provision of market and credit information in Canada and other countries.

Other leading sources of finance are the insurance companies, trust companies, credit unions, commercial credit and acceptance companies, venture capital loan companies and factoring companies.

Equity capital represents the net value of the business since all other financing amounts to some form of borrowing which must ultimately be repaid. Also, business profits can be reinvested as additional financing once your business has started.

Leasing may also be considered as a source of funds. The interest rates are relatively high, but payments are totally deductible. Leasing arrangements are usually used for machinery, vehicles and office equipment, where it is desirable to avoid heavy capital cost outlays.

Sources of Financing



Notes:

- Internal sources include inventory control, cash management, credit management, etc.
- Friends usually turn out to be not the silent partners as originally perceived.
- Employees — Are they the right ones to "lock in"?

★★★ ***Be Sure To Get Enough Money Before You Start*** ★★★

Saskatchewan Economic Development Corporation

The Saskatchewan Economic Development Corporation (SEDCO) is a provincial Crown corporation whose objective is to facilitate industrial development in Saskatchewan by providing financial and property services to viable businesses.

SEDCO services and programs are flexible and can be arranged in various combinations to accommodate the variety of complex financial and property needs to each individual client — situations which sometimes prevent other institutions from accepting the project.

Virtually every type of business is eligible for developmental financing from SEDCO although particular emphasis is given to firms engaged in manufacturing and processing, and enterprises related to tourism facilities.

A project must provide significant economic benefit to the province measured by one, or a combination of:

- job creation or retention
- increased productivity

- increased volume of goods or enhanced services
- value of business to the community
- important new technology
- identifiable social priority

Assistance From FBDB

The Federal Business Development Bank (FBDB) is a federal crown corporation which promotes and assists in the development of businesses by providing financial and management services.

FBDB provides financial assistance to sound commercial or industrial enterprises which are unable to get capital from regular sources on reasonable terms.

Loans can range in size from a few thousand dollars and up. Normal guarantees or collateral are required. The amount that can be borrowed for a specific purpose depends on your ability to satisfy the bank's requirements. The bank is also a source of venture capital.

FBDB also provides a management counselling service, conducts management training seminars across Canada and publishes booklets on a wide range of topics pertaining to the management of small business.

Getting The Most From Your Bank

Bank Loans

Your involvement with the banking world begins even before you start your business. Develop a good working relationship with the bank of your choice from the very beginning. Faster and better services are supplied when a bank is familiar with its customers and their businesses. In that environment, suggestions for keeping a business financially healthy are more readily given, crisis borrowing can be avoided and good loan planning can be developed.

Never surprise your banker with sudden or unplanned requests for funds.

Unless you are independently wealthy and insist on using only your own money, you will require financial aid from the bank in the form of a term loan for any of the following purposes:

- to assist in establishing your new business;
- to purchase an existing business;
- to purchase new equipment;
- to provide additional working capital;
- to provide funds to retire a bond issue or outstanding preferred stock.

Dealing With Your Banker

Points to Keep in Mind

- Bankers are impressed only by your standards of management excellence. Experience counts heavily in planning, organizing, supervision, directing, control, development and demonstrated success.
- Arrange your borrowing needs well in advance and keep time on your side. With time on your side and banks being in competition to attract top calibre business accounts, you may find the bank more willing to negotiate competitive terms, such as security margins, interest rates and collateral requirements.
- Risk-taking must be a calculated endeavour, not a speculative gamble. Remember, bankers are risk avoiders, not risk-takers.
- Always put your loan request in writing and finalize all loan documents before making any other financial commitments.
- Do not borrow by way of overdraft unless your line of credit is established for such borrowing. Any verbal line of credit for recurring overdrafts should be formalized as soon as possible.
- Negotiate your fiscal credit needs at your year-end while your financial statement is still correct. It may be tempting to anticipate that your next interim statement will improve six months later, only to find that you would have been better off with a reduced line of credit at the beginning of the year than to have none at all in the middle of a poor season.
- Keep yourself current on the prevailing lending attitudes so that you can adjust your own administration of receivables and collections accordingly.
- The only constant human element in your banking relationship is yourself. There is about an 80 per cent chance the banker you are dealing with today will no longer be handling your account two years from now.
- There are countless instances where bank customers will casually sign just about anything while they are in the bank office. Read, understand and retain copies of all banking documents before you sign.

Developing Good Bank Relationships

To develop good bank relationships:

- find out the services your bank offers (location, hours, etc.) and, if practical, use the bank most of your customers and potential customers use;
- give the bank manager all the information he requires for head office approval of the loan (see "Business plan" page 36);
- annually arrange a line of credit to meet peak requirements (but borrow only what is necessary, when necessary);
- adjust the loan level as actual requirements change;
- make realistic repayment commitments;
- avoid overdrafts;
- be prepared to provide security for the loan.

What a Lender Needs to Know

The lender will require the following information:

- amount of loan and period for which it is needed;
- reason for the loan;
- brief history of the company;

- financial statements of the business for the past three years;
- details of current financial position including specific data on:
  - accounts receivable
  - accounts payable
  - inventory
  - fixed assets
  - short and long term debt
  - special accounts
- facts about company operation;
- facts about management and officers;
- details of the project to be financed;
- cash flow statements for the next 12 months (perhaps indicating an operating line of credit);
- projected financial statements (indicating present requirements);
- the security you're offering.

Evaluation by a Lender

Your application will be evaluated on:

- your debt-paying record;
- ratio of debt to net worth;
- past earnings and potential future earnings of the company;
- value and condition of the collateral for security;
- your character;
- your management ability;
- the fact that you have prepared a business plan.

Collateral Accepted by a Lender

The lender will accept the following as collateral:

- granting of a floating charge debenture;
- personal guarantees of officers of limited companies;
- co-signors or guarantors;
- pledging of inventories;
- assignment of accounts receivable, leases, savings, warehouse receipts or securities;
- pledging of cash surrender value of life insurance;
- agreement to restrict salaries, drawings and loan payments of proprietors, partners and principal shareholders.

Restrictions Imposed on the Borrower

Some common restrictions imposed on the borrower are:

- maintain working capital at a specified amount;
- furnish financial statements annually or semi-annually;
- share structure;
- limit dividends;
- sell the company or the assets;
- create no new debt except as agreed;
- provide no guarantees on behalf of others;
- restrict drawings or benefits to shareholders.

Security for Term Loans

The following will serve as security for term loans:

- mortgage on property or chattel;
- floating charge debenture on other assets;
- personal guarantees.

See sample forms for financial submission for bank loan (pages 18 - 24).

Where To Get Business Information

Information in the business world is vitally important. Obtain as much information as possible, then sort out the **useful information.** Make use of knowledgeable and experienced sources only. For example:

Business/Statistical Reports

Federal and provincial agencies provide essential business statistics for all sectors of the economy. Market research can be done for various regions of the country. You can get these reports from the relevant government departments.

Companies like Dun and Bradstreet research and report on the state of various businesses. The information is available only to subscribers, who must be accredited business organizations.

Accountants

Your accountant can recommend the most advantageous way of setting yourself up in business, and the most effective bookkeeping methods to suit your needs. A good accountant can help you project and analyze your financial conditions, and can prepare a statement of the requirements for starting or expanding your business.

Bankers

Your banker is knowledgeable about financing, and should be familiar with your community, business and economic conditions, as well as with other sources of funding and assistance. Besides helping you select banking services, your banker can help you deal with management problems and decisions.

Chamber of Commerce/Board of Trade

A chamber of commerce or board of trade is made up of local business people who want to make your community a better place to live and do business. Committees are set up to assist with business, education, civic affairs, employer/employee relations, tourism, etc. The chamber or board acts as a liaison and a lobby with all levels of government.

Business Consultants

A consultant who specializes in small business can help you organize the many facets of starting or expanding a small business. A consultant keeps you aware of things to consider in your new venture.

A professional with a sound knowledge of business procedures can:

- assess your present and future financial needs, and help in the necessary start-up procedures;

- determine the feasibility of your venture from more than just a financial point of view of an accountant. Consideration of marketing, pricing, competition and supplier availability are important as well.

Industrial/Economic Development Officers

Civic governments in most communities have industrial or economic development officers or committees. They provide information on land, local economic conditions, housing and labour costs, and can offer suggestions on site location. Their job is to assist and encourage you, so take advantage of their services.

Lawyers

Lawyers are essential for interpreting and preparing legal documents such as leases, franchise agreements, contracts, partnership agreements and corporation documents.

Better Business Bureaus

Better business bureaus compile business "reliability reports" which include a grading system of "1A" to "D".

Information in these reliability reports is mainly of two sorts:

- basic information which comes from the company itself;
- information about how the company has handled complaints.

These reports arise through inquiries, complaints and public record, as well as bureaus contacting a company to suggest a voluntary listing in the bureau's files.

Ratings:

- "1A" means that no complaints have been received on the company;
- "A" shows that a company examines and adjusts a large majority of valid complaints;
- "B" means the company has only a 50-60 per cent rate of adjusting valid complaints;
- "C" and "D" indicate that the company does not meet the bureau's standards.

Though a better business bureau invites companies to become members, anyone can request a verbal reliability report on member and non-member companies. Canadian bureaus are in contact with nearly 150 bureaus in the U.S.

Police Departments

Crimes against business are usually crimes of opportunity. Your police department can help prevent loss by reducing these opportunities. They offer advice on business security (locks, lighting, alarms, etc.) and help deter pilferage and theft through "operation identification", a national numbering system to identify business property.

Trade Associations/Publications/Suppliers

Trade associations provide a forum for business people with similar interests, and can provide you with a number of expert, specialized services.

Trade publications provide a wealth of information on virtually every type of business. Suppliers or trade associations can suggest publications in your field.

Trade suppliers frequently offer additional services apart from the goods they sell. Find out the services your supplier offers which can help you.

Educational Institutions

Many of the province's post-secondary educational institutions provide training in business. The knowledge they provide may help you open or expand your business.

The University of Saskatchewan in Saskatoon, the University of Regina, the Saskatchewan Institute of Applied Science and Technology in Moose Jaw, Prince Albert, Regina and Saskatoon all offer programs in business that may be useful.

If you are located too far away from these cities to make access practical, it may be that the local community college delivers programs into your area of the province. Even in the larger cities, the community colleges deliver a number of courses that you might want to pursue.

Preparing Your Business Plan

Your business plan is the blueprint for management, a tool for financing and the standard for measuring performance.

As an entrepreneur, you're going to invest time and money ... and it is only through your business plan, especially the cash flow and pro forma documents, that you get the information you need to decide if the project will pay a sufficient return for your time and money.

You should be the one who judges the business plan more critically than anyone else. You need to know whether the projected returns are sufficient to invest 3-5 years of your life, as well as your capital!

As you begin to write your plan, remember to be:

- **factual** ... you'll only fool yourself if you are less than honest and realistic;
- **comprehensive** ... examine every facet of your venture; overlook nothing; double check with a friend or business advisor;
- **complete** ... thoroughness is vital to having a comprehensive plan;
- **competitive** ... remember there will be competition at every turn: for money, for markets, and for good employees.

Your business plan should:

- be easy to read; a non-technical presentation;
- include risks as well as opportunities;
- use facts and presentations which can be verified;
- be typewritten on letter-size or legal-sized paper.

Major Parts of the Plan

Introduction:

State what it is you want to do. List the company name and address, the presenter's name, and a short paragraph about the company securities offered. Ask for confidentiality.

Table of Contents:

This outlines the main elements of the plan for you and your reader. List the sections of the plan and their page numbers. Include a listing of charts and illustrations, with page numbers.

Executive Summary:

This section will present your plan in miniature:

- a brief description including product or service, staff, location and facilities;
- a short history of the venture, background of the principles and the development work of the company so far;
- highlights of the industry, especially the competitive elements (locally as well as nationally) such as markets, customers and their profile, developments, new products, competition, growth potential and industry outlook.

Marketing Plan:

This covers the scope and results of your market feasibility analysis, which is the basis for your marketing strategy. The marketing plan will relate, among other things, to:

- how this opportunity was identified;
- the location of operation and market;
- the product;
- the price;
- promotion;
- packaging;
- distribution;
- market monitoring.

(Use the marketing checklist or the "Marketing Workbook" available from Saskatchewan Economic Diversification and Trade, to make sure you deal with all the important points.)

Operating Plan:

Here you deal with the scope and results of your operation analysis. Show:

- technical aspects of your proposed operation (use diagrams, charts and photos);
- legal structure (e.g., proprietorship, partnership, corporation);
- roles of the owners, along with resumes of their experience and statements of their net worth;
- directors, officers and key management by name and place within the organization;
- share options, contracts and agreements;
- labour requirements in terms of numbers, availability, skills and job descriptions;
- location within the community (use a map);
- floor plan, equipment placement, activity flow and job stations;
- control systems;
- operating capacity and physical limitations.

Set out all the variables you can identify, and how you expect management will deal with them.

(How complex the plan is depends on the nature of the business, with manufacturing and processing usually involving many more details.)

At the end of this section identify by name the following:

- your lawyer;
- accountant;
- management consultant;
- engineering services;
- financial services;
- manpower services.

Financial Plan:

This section deals with your financial feasibility analysis, and illustrates your financial management strategy. This entails three tasks:

- outline the assumptions used for financial planning ... marketing plan as a basis for sales forecasts, and operating plan as basis for capital cost estimates;
- prepare financial forecasts ... pro forma balance sheets, income and expense statements, cash flow projections (samples of these forms are found in Chapter 2, pages 18 - 24);

- finalize operating costs (based on cash flow projections), and prepare a pro forma sheet on sources and applications of funds.

Venture Analysis:

Calculate your return on investment and analyze some common business ratios (Chapter 1, page 8) to measure the potential performance of the business. Examine risks, such as the reaction of competition, possible weak links, new technologies ... and how management will respond to these.

Appendix:

- Attach appropriate documents
- Resumes
- Statements of personal net worth
- Leases
- Agreements
- Any other pertinent documents

Your regional business representative (see list on page 70) can provide you with copies of other articles on business planning, and will review your plan with you upon request.

The most important single factor in starting an enterprise is confidence that success can be achieved ... the confidence of your partners, shareholders, business associates, customers, suppliers, banker and yourself. This confidence requires a sound plan to direct action and to measure results.

And to be a fully effective discipline, the planning of business management must come from the business itself. You must be prepared to get fully involved.

Your Venture Checklists

Consider these important questions **before** you begin a new venture. The following checklist is meant to assist you in assessing each point against your business plan, outlined in the previous chapter.

Carefully consider each point and its relevance to your proposal or situation. Not all points will apply, but carefully compare each point to your proposal. This will highlight any areas of deficiency and allow you to elaborate as required.

Remember, if you're presenting your business plan to a lender for a loan, the more complete the plan is, the more credible you are.

Marketing

What is the Nature of Your Market

- number of potential buyers, by region;
- number of existing buyers, by region;
- profile of buyers ... age, income, occupation, education, sex, family size, etc., by region;
- profile of users (if buyers and users are different) by region;
- where buyers and users live ... region, city size, urban, suburban, rural;
- where buyers buy ... urban, suburban, rural, trading centre, local, type of store;
- size of purchases;
- when buyers buy ... time of day, week, month, year, and frequency of purchase;
- how buyers buy ... name brand specifications or not, impulse, planned, comparison, personal inspection, cash/credit;
- why buyers buy ... attitudes, motivation, trends, styles;
- who influences buying decisions ... type of product and brand, uses of product;
- unfavourable attitudes of buyers and brand;
- indications of changes in buying habits.

Structure of Your Market

- number of competitors;
- number of brands ... national, regional, local;
- share of market by brands ... total, regional, city size, type of store;
- characteristics of leading brands;
- differentiation of own brand from leading brands;
- policies, presentation, methods and tools of principal competitors.

Your Product Profile

Your Product

- quality ... materials, design, durability, safety, method of manufacture and workmanship;
- models, sizes, colours, flavours, etc.;
- luxury, standard, essential;
- convenience of shopping.

Your Package

- protection ... shipping, handling, theft, tampering, spoilage, etc.;
- utility ... measures, closure, reseal, disposable, etc.;
- identification ... universal product code, visual exposure, colour, label;
- display ... versatility for stacking, hanging, filing, etc.

Your Name Brand

- legal ... logo, trademark, copyright, industrial design;
- image ... memory value, goodwill value, recognition, suggestiveness, pleasingness, generic original.

Your Service

- installation ... who, when, cost, delivery;
- maintenance ... who, when, cost, convenience;
- repair ... who, when, cost;
- warranty ... who, when, how long;
- accessories ... aftermarket, compatible.

Your Place In The Market

Distribution Channels

- number of retailers ... each type by region;
- number of wholesalers ... each type by region;
- per cent of retailers ... each type, handling brand by region;
- aggressiveness of retailers, co-operation by region, store type and city size;
- indications of shift in relative importance of channels.

Your Promotion

Personal Selling

- recruiting and selection ... methods, qualifications, standards;
- training ... methods, skill development, motivation;
- supervision ... performance reviews, development;
- compensation ... commission, bonus, benefit plans.

Advertising

- effectiveness ... comparison of spaces purchased, timing, appeals and themes, black-&-white vs. colour;
- cost effectiveness ... various media, style, background, placement;
- product effectiveness ... feature products, merchandising.

Sales Promotion

- co-operative advertising;
- deals, premiums, coupons, discounts, bonus gifts.

Publicity

- announcements, press releases, mentions.

Your Price

- from factory ... volume capacity vs. demand;
- to wholesalers ... by type, size and region;
- to retailers ... by type, size and region;
- discounts ... functional, volume, cash, other;
- allowance and deals;
- service charges;
- price stability ... commodity influences such as energy, labour, weather, technology.

Your Strategy

- selection of a target market;
- development of a marketing mix.

Your Operation

Location

- traffic patterns;
- parking;
- zoning;
- local development trends.

Facilities

- lease/purchase;
- utilities;
- storage;
- expansion potential;
- fixtures and equipment;
- leasehold improvements;
- layout;
- installations.

Operating Systems

- production;
- inventory;
- record keeping;
- job procedure;
- maintenance.

Operating Assistance

- lawyer;
- accountant;
- management consultant;

- engineering services;
- financial services;
- manpower services.

Your Finances

Capital Structure

- equity;
- current assets;
- current liabilities;
- fixed assets;
- long term debt.

Operating Forecast

- sales;
- cost of sales;
- gross margin;
- general operating expenses;
- net profit;
- income tax payable;
- cash flow analysis;
- contingency analysis;
- risk analysis;
- inflation impact analysis;
- interest rate impact analysis.

Financial Services

- bank/credit union;
- mortgage lender;
- insurance coverage;
- bonding;
- trade credit;
- venture capitalists;
- background equity;
- government programs.

Your Organization

Legal Structure

- proprietorship;
- partnership;
- private corporation;
- public corporation.

Registrations

- trade names;
- trademark/logos;

- business license;
- permits;
- Education & Health Tax;
- Excise Tax;
- Good and Services Tax (GST);
- professional or trade licences;
- memberships.

General Arrangements

- contracts;
- business forms;
- personal will;
- buy/sell agreement;
- cross insurance;
- key man insurance;
- occupational health and safety.

Your Staff

- skilled;
- unskilled;
- professional;
- supervisory;
- qualification standards;
- job descriptions;
- wages and salaries;
- performance standards;
- staff benefits;
- staff training.

Your Management

- Can management prepare and implement a sound business plan?
- Does management have adequate authority and control to fulfil its responsibility?
- Do training programs encourage personal skill development towards increased responsibility?
- Can management change be introduced as required to benefit the business? Even if the changes require a new manager?
- Does the manager have the qualities of time, character, stamina, planning, control, development, leadership, decision-making, confidence, practical realism? And **commitment**?

Your Own Preparation and Commitment

- Have you obtained independent legal advice on all contracts?
- Are **all** financial commitments finalized? In **writing**?
- Does the business plan have time in its favour?
- Are you prepared to lose your business investment?
- Are you prepared to succeed?

What Form Of Organization Do You Need?

Proprietorships

The proprietorship is the simplest form of business organization. The owner assumes:

- all responsibilities;
- all profits or losses.

If a proprietorship fails, all assets, whether business or personal (with certain exceptions) can be legally taken and used to discharge the liability.

Registering Your Business Name

Every "business name" must be registered under the Business Names Registration Act. A "business name" is:

- a name other than the proprietor's family name or surname (for example, John Doe carrying on a business as Sunrise Hardware);
- a name comprising the proprietor's family name or surname with the addition of some other word or phrase indicating a number of members (for example, Doe and Company).

Registration, or renewal of registration, expires after three years. The fee for registration or renewal is $50.

"Declaration for Registration of Business Name, Form A" is available from the Corporations Branch, Justice. (See the list of organizations and agencies at the end of this chapter, page 48).

Business losses of a proprietorship can be deducted from "other income" on the proprietor's personal income tax return.

Partnerships

A partnership is a combination of two or more persons jointly carrying on a business and sharing profits or losses.

The two classes of partnership:

- **General partnership** ... all members take part in management and control of the business. Partners are jointly and individually liable for debts of the partnership (i.e. one partner can be held responsible for all debts incurred in the name of the business by another partner). A partner can also be held responsible for wrongful acts or omissions by another partner.
- **Limited partnership** ... some members are general partners who control and manage the business, while other partners are limited (i.e. take no part in control or management and are liable for debts to a specified extent only). A legal document, setting out specific requirements, must be drawn up for a limited partnership.

All partnerships must be registered. The fee for registration or renewal of a general partnership is $50. The fee for registration of a limited partnership is $250 for the term of the partnership.

"Declaration for Registration of Business Name, Form B" (for general partnerships) is available from the Corporations Branch, Justice.

A partner's portion of a business loss can be deducted from "other income" on your personal income tax return.

Partnership Agreement

A general partnership agreement can be formed without a written agreement, but it is an advantage for partners to have an agreement written to provide:

- objectives;
- date of commencement;
- amount of each partner's investment;
- names and duties of partners;
- how profits and losses are to be shared;
- salaries of each partner;
- provision for the death of a partner (often partners hold an insurance policy on each other, so a surviving partner will have funds to buy out the deceased's share from the estate);
- provision for arbitration of disputes;
- special conditions;
- rules for dissolution of the partnership.

Joint Ventures

Any group of companies, partnerships or individuals associated as members of a business venture must be registered with the Corporations Branch, Justice.

Co-operatives

Definition

A co-operative is a corporation organized by people with similar needs to provide themselves with goods or services, or to make joint use of their available resources to improve their income. Their business structure ensures:

- all members have an equal say (one vote per member, regardless of the number of shares held);
- open and voluntary membership;
- limited interest on share capital;
- surplus is returned to members according to amount of patronage.

Types

Co-operatives are placed in five separate categories when they are classified by function:

- Producer co-operatives combine members' skills and resources for mutual benefit. An example is an employment co-operative, which pools and markets the skills of the employee-members and provides them with an income;
- Consumer co-operatives buy commodities in bulk and sell them to the member-owners. Examples are retail co-operatives and direct-charge co-operatives;
- Marketing co-operatives sell their members' products. Typical products are dairy products, poultry, fish and handicrafts;
- Financial co-operatives provide a variety of financial services for their members, including savings, investments and loans. Examples are credit unions, co-operative trust and insurance companies;
- Service co-operatives enable members to improve the quality, price and availability of needed services, such as health care, child care and transportation.

Corporations

The term "corporation", "incorporated company" and "limited company" all mean the same thing. (The term "company" is often used to indicate a corporation, but actually refers to any business enterprise.)

A corporation is an "artificial person" created by law and, unlike a proprietorship or partnership, is a separate legal entity with individuality of existence. No member of a corporation is personally liable for the debts, obligations or acts of the corporation.

A corporation is identified by the terms "Limited", "Ltd.", "Incorporated", "Inc.", "Corporation" or "Corp.". Whatever the term, it must appear with the corporate name on all documents, stationery, and so on, as it appears on the incorporation document.

A corporation may use a "trade style", providing the trade style is registered.

Incorporating a business can be complicated, so even though you can incorporate a business yourself, it is advisable to seek legal help.

Business losses can not be written off against "other income" on the shareholder's income tax return, but can be carried forward and written off against corporation profits in future years.

Private Corporation

A "private corporation" can be formed by one or more people. The corporation must be registered under *The Business Corporations Act*, and must file an annual return and pay an annual fee. A majority of its directors must be Canadian residents and at least one must reside in Saskatchewan. A private corporation cannot sell shares or securities to the general public.

Clear your proposed corporate name before filing the Articles of Incorporation. You may use a business name (e.g. ABC Mfg. Ltd.) or a number name (e.g. 578901 Saskatchewan Ltd.). A number name is sometimes useful when a corporation is urgently required and a suitable name is not readily available. In these cases the corporations branch will assign a six-digit number.

A private corporation requires these documents:

- Articles of Incorporation

- Notice of Registered Office
- Notice of Directors

An incorporation kit is available from the Corporations Branch, Saskatchewan Justice.

Public Corporations

A "public corporation" (distributing corporation) is one which issues securities for public distribution. Besides filing incorporation documents, a public corporation must file a prospectus with the Saskatchewan Securities Commission, must employ outside auditors and must distribute semi-annual financial statements.

The major advantage of a public corporation is that is can raise capital by selling shares to the public.

Federal Corporations

Private and public corporations may be incorporated federally under the *Canada Corporations Act*. A firm operating nationally or in several provinces may find this advantageous. A federally incorporated business must still register in each province in which it does business.

Information and incorporation documents are available from the Corporations Branch, Consumer and Corporate Affairs Canada.

Extra-Provincial Corporations

An extra-provincial corporation is a corporation incorporated other than by an act of the Saskatchewan legislature.

Such a corporation may be registered in Saskatchewan by sending to the Corporations Branch, Justice, the following:

- an application for registration and appropriate fee;
- power of attorney (appointing a Saskatchewan resident as its attorney);
- a certificate of status issued by its incorporating jurisdiction.

A Branch of a Foreign Corporation

Foreign corporations with branch offices in Saskatchewan are treated the same way as extra-provincial corporations. However, foreign corporations may also have to comply with federal government regulations.

Investment Canada

In December 1984, the federal government introduced legislation to replace the Foreign Investment Review Agency (FIRA) with a new agency, Investment Canada. Investment Canada's mandate is to encourage and facilitate investment in Canada by Canadians as well as non-Canadians.

The new legislation exempts most foreign investment proposals from review. Investment Canada's reviews are limited to acquisitions of larger businesses in Canada and to investments in "culturally sensitive" industries such as book publishing and film production and distribution.

For small acquisitions and the establishment of new business, foreign investors need only notify Investment Canada of the investment intentions.

For more information, contact Investment Canada or Economic Diversification and Trade.

Saskatchewan Economic Diversification and Trade is the government department co-ordinating the foreign investment review process for the province. This includes:

- processing and assessing applications;
- liaising with other provincial agencies;
- recommending a Saskatchewan position on foreign investment questions;
- monitoring foreign investment enterprises;
- researching policy issues.

For more information, contact the Policy and Research Division, Saskatchewan Economic Diversification and Trade.

To Register a Trade Name:

Corporations Branch
Saskatchewan Justice
1871 Smith Street
Regina, Saskatchewan S4P 3V7
Phone: 787-2962

To Incorporate a Company:

Corporations Branch
Saskatchewan Justice
1871 Smith Street
Regina, Saskatchewan S4P 3V7
Phone: 787-5550

To Register a Co-operative:

Corporations Branch
Saskatchewan Justice
1871 Smith Street
Regina, Saskatchewan S4P 3V7
Phone: 787-5550 or 787-2962

To File a Prospectus:

Saskatchewan Securities Commission
850 - 1914 Hamilton Street
Regina, Saskatchewan S4P 3V7
Phone: 787-5645

Taxes

Taxes On Your Income

Personal Income Tax

The federal and provincial governments each levy personal income taxes but both are computed on the federal income tax return with Revenue Canada acting as the collection agent for the province.

Residents of Canada are taxable on their **world** income, which means income earned or credited to them anywhere in the world, whether or not it is actually received by them. As an individual, you report your income on a calendar year basis. The return is due, and outstanding tax is payable, by April 30 of the year following the taxation year.

Proprietors and partners are taxed personally on their share of income after business expenses.

For information and forms contact Revenue Canada, Taxation (address listed in Chapter 13, page 97).

Corporate Income Tax

Generally, all corporations resident in Canada are subject to federal and provincial income taxes. Income taxes are applied on income received or receivable from all sources inside and outside Canada, less certain deductions.

Unlike individuals, corporations may have a taxation year-end other than the calendar year-end. All corporations are required to file an annual corporation income tax return within six months of the declared fiscal year end. Income tax is payable monthly, based on estimated taxes or on tax paid in the previous year.

For information contact Revenue Canada, Taxation (address listed in Chapter 13, page 97).

Non-Resident Companies

(a) Canadian subsidiaries of foreign firms

Where a non-resident company is carrying on business in Canada through a subsidiary resident in Canada, the subsidiary is treated the same as any other Canadian company as far as income tax is concerned. In such cases, however, small business incentives do not apply. Income earned in Canada or elsewhere is subject to Canadian income tax, but the subsidiary, like any Canadian company, may claim a credit for taxes paid to a foreign country.

(b) Canadian branches of foreign companies

A non-resident company carrying on business in Canada through a branch office is liable for tax on that portion of income which can be attributed to its activities in

Canada. Accounts should be arranged so that the income of the branch office can be accurately determined. Tax rates are the same as for resident companies, except that the small business incentives do not apply.

For information contact Revenue Canada, Taxation (address listed in Chapter 13, page 97).

Withholding Tax

1. Employee's income tax, Canada Pension Contribution and Unemployment Insurance Premiums

All employers must withhold income tax, Canada Pension Plan contributions and unemployment insurance premiums from salary and wages paid to employees and must remit those amounts together with the employer's share under the *Canada Pension Plan and Unemployment Acts* to the Receiver General by the 15th day of the following month.

2. Non-Resident Tax

Corporations or individuals residing outside Canada and receiving income from Canadian sources are required to pay a withholding tax of 25 per cent on amounts received for dividends, interest, rents, royalties and similar payments. Thus Canadian businesses, resident or non-resident, must deduct the tax at the time of payment.

Capital Gains Tax

Current legislation is under review. Contact your local Revenue Canada District Taxation Office (Chapter 13, page 97).

Tax Credits

Tax credits are allowed against income to provide tax relief and encourage economic development. Credits are altered frequently; at the time of publication tax credits were available for:

- investment;
- employment;
- small business;
- foreign;
- manufacturing and processing profits.

For further information contact your accountant, Revenue Canada, Regina Office Taxation, or Saskatchewan Department of Finance, Revenue & Policy Branch.

Taxes On What You Consume

Goods and Services Tax

As of January 1, 1991, the Federal Sales Tax was replaced by a broader based Goods and Services Tax (GST). For more information contact Revenue Canada.

The GST is imposed on the manufacturer's selling price for:

- the majority of consumer goods produced in Canada;
- duty-paid value of imported goods.

Businesses with an annual sales volume of taxable goods below $30,000 are not required to be registered and do not have to charge the Goods and Services Tax.

Most food stuffs, a wide range of agricultural implements, and prescribed pharmaceuticals are exempt.

Excise Tax

A federal excise tax is imposed on certain luxury goods, whether domestic or imported. The list of goods includes jewelry, cosmetics, cigarettes, tobacco and alcoholic beverages.

Excise tax is not imposed on goods exported from Canada directly by the manufacturer or processor.

All manufacturers and processors of excisable goods require an excise tax licence.

For more information contact Revenue Canada, Excise Branch.

Education and Health Tax

E&H Tax must be collected for the Saskatchewan government by the vendor from the purchaser at the time of sale.

Any person in the province who sells taxable services to a user at the retail level or sells or leases tangible personal property to a consumer or user at the retail level must be licensed as a vendor and must collect the tax.

A wide variety of goods are exempt. For example, all clothing under $300, most food products, some farm tools and supplies, prescription drugs and medicines, goods sold to non-residents and shipped directly out of the province to non-residents, and farm implements and parts sold to a farmer for his use.

For more information contact Saskatchewan Finance, Revenue Taxpayer Services Division (address listed in Chapter 13, page 95).

Amusement Tax

Municipalities have the power to regulate and charge a tax on certain forms of paid entertainment such as theatre performances, bowling alleys, exhibitions, movies and other places of entertainment. The tax is included in the admission price.

For more information, contact your city, town or municipal office.

Customs Duty

Certain goods imported into Canada are subject to custom duties, also called tariffs or import duties. These are imposed to protect Canadian manufacturers and processors. Duty is usually based on a percentage of the products' fair market value.

With the adoption of free trade, all tariffs will be removed within a period of ten (10) years. There will be no additional charges on goods entering or leaving the country.

There are over 2,000 classifications of tariff items and sub-items and four different rates, depending on country of origin.

For more information contact **Revenue Canada, Customs and Excise Division, or a customs house broker.**

Taxes On Your Property

Property taxes are levied at the local level and are based on the assessed real value of the property, or in some areas on a percentage of the real value. The tax is assessed on the owner of the property.

Business tax is levied at the local level. Assessment is based on the number of square feet and the type of business. Any question of assessments should be directed to:

Saskatchewan Assessment Authority
2161 Scarth Street
Regina, Saskatchewan S4P 3V7
Telephone: 787-2666

Any inquiries regarding business tax should be directed to your local authority in care of your town office, city hall or Saskatchewan Community Services.

Patents, Trademarks, Industrial Designs, Copyrights

Patents

A patent is a document issued by the Government of Canada giving you the right to exclude others from making, using or selling your invention. It is given in return for a detailed description of the invention.

Because of the requirement to describe the invention in the patent, the Patent Office is the country's largest library of technology. There are several interesting characteristics to the information:

- It covers all fields of technology;
- It is detailed and practical;
- It is open for public inspection;
- It is often available nowhere else;
- It gives a contact for more information or for purchasing or licensing the invention.

Because of the characteristics of the information, a search of patents is useful to:

- Determine patentability of an idea;
- Determine if a given activity will infringe on existing patent;
- Discover products to add to an existing line;
- Find solutions to technological problems;
- Avoid duplication of research;
- Keep up to date on the state of the art in a given technology.

Access to patent information is possible in a number of ways:

- Ask the Saskatchewan Research Council to approach the Patent Office for a Technology Information Search, which will give a sample of what information is in the Patent Office;
- Hire a patent agent to do a search, particularly if your decision to apply for a patent or enter a new field of technology might infringe an existing patent;
- Approach an agency that will do a computer patent search (realizing that the data in the databank has some limitations);
- See a public library that has patent search facilities. This is a laborious method (Saskatoon Public Library and the Legislative Library, Regina);
- Visit the Patent Office, 50 Victoria Street, Hull, Quebec.

There are some things that should be heeded when dealing with inventions and their protection.

If you are an innovative firm, there are some things that should be done even before an invention is made. You should retain the services of a patent agent, a list of which is available from the Patent Office. You should also have a contract with each employee defining who owns the patent and other intellectual property rights arising from the employee's work.

After making an invention and before filing for a patent, there are some things to consider. Written, dated and witnessed records should be kept of the course of development of the invention. It would be kept confidential, on pain of losing the right to a patent in most countries. A patent search should be done by a patent agent to determine the patentability of the invention. If you wish a second opinion on the marketability or potential profits, an innovation centre will oblige for a relatively small fee. When the decision to apply for a patent is made, a patent agent should be consulted.

After the patent application has been filed, co-operate fully with your patent agent.

When your patent has been issued, it will help you do a number of things: You can use it to sue infringers to keep them from using your invention. You can license others to use your invention. You can sell your patent outright. You can also use it to support requests for loans.

More information is available from:

The Patent Office
Inquiries Section
Consumer & Corporate Affairs Canada
50 Victoria Street
Hull, Quebec
K1A 0C9

Patent Pending

The patent pending mark offers no positive protection.

It does warn other manufacturers who may be contemplating copying a product that an application for patent has been filed.

Where costly tooling or marketing expenses are involved, this is frequently enough to discourage competitors. On the other hand, it is an open admission that the product in question does not have patent protection.

Trademarks

A trademark is a word, phrase, symbol, logo, drawing, picture, shape, mode of wrapping or packaging, or combination of any of the above used to specifically distinguish the goods or services of a person, organization or corporation in the marketplace from those of others. Distinctive or unique sounds are not eligible for trademarks protection in Canada.

Trademarks are extremely valuable marketing devices and are generally defended to the full extent of the law. For the consumer, trademarks eliminate confusion and establish the origin and consistency of quality of a product or service.

The registration of trademarks is not mandatory, but is certainly advisable because it provides evidence of ownership and is more easily defended. Defence of the trademark is the responsibility of the owner, and is not a function of the trademark office. When filing for application for a trademark, the fee is $150. The fee for issuance

of a certificate of registration is $200. Payment of additional fees, such as completion fees, may be required.

You may prepare your own application or you may consult a trademark agent. It normally takes about one year from the date of application to registration if no opposition or other obstacles intervene. (Agent's fees or legal costs are not included in the registration fees.)

Trademarks are valid for a period of 15 years from the date of registration, at which time they may be renewed on application with a renewal fee. Trademarks are valid only in the country in which they are issued, therefore it is necessary to register in each country to which exports are planned if the trademark is to be protected internationally.

Appellation of Origin

An appellation of origin is the name of the country, region or place that gives a product special, characteristic qualities. Although it may be registered as a certification mark which is a form of a trademark, it is generally recognized by international agreement.

A good example is the word "champagne", used to identify the particular wine which comes from the Champagne district of France.

Trade Name

A trade name is the name under which a business is operated. A trade name can be registered under the *Trade Marks Act* only if it also serves as a trademark.

Quality Mark

A quality mark indicates the quality, quantity, fineness, weight, thickness, proportion or kind of precious metal in an article. Precious metal articles are made from gold, silver, platinum or palladium. Most precious metal articles do not have to be quality marked, but if a quality mark is applied, it must also carry a registered trademark or acceptable foreign hallmark.

Hallmark

A hallmark is a mark indicating the quality of a precious metal applied by a foreign country with recognized standards. Compulsory marking is required for plated hollowware and some plated flatware. Some of the more frequently used quality marks are:

Gold: 24 karat gold - pure (fine) gold; 18 karat gold - 18 parts fine gold, 6 parts other metals; 14 karat gold - 14 parts find gold, 10 parts other metals; 10 karat gold - 10 parts fine gold, 14 parts other metals.

Nine karat is the minimum legally acceptable quality. It should be remembered that gold is not always shiny yellow in colour, it can be red, pink, green or white, depending on the alloy that is used with it. Silver: "silver", "sterling silver", "argent", "argent sterling" and abbreviations of these terms are used to indicate that an article contains at least 925 parts pure silver per 1,000 parts total by weight.

Platinum: "platinum", "plat" and "Platine" are used to indicate that an article contains at least 95 per cent platinum.

Palladium: "palladium" and "pall" are used to indicate that an article contains at least 95 per cent palladium.

Gold filled: "gold filled", "GF" and "Double d'or", when marked on an article, mean that it is made of material consisting of a layer of base metal to which a sheet of 10 karat gold or better has been bonded. Gold filled indicates that at least 1/20th of the total weight of an article is 10 karat gold or better.

Rolled gold plate: "rolled gold plate", "RGP" and "plaque d'or lamine" mean that the article is made by the same method as for gold filled, but the amount of 10 karat gold is less than 1/20th of the total weight of the article.

Gold plated: "gold plated", "gold electroplate", "GEP", "or plaque" and "electroplaque d'or" mean that a layer of gold of at least 10 karat quality has been added to the surface of a piece of jewelry. No guarantee of ability to last can be made for gold filled, rolled gold plate and gold plated articles.

Silver filled: "silver filled", "SF", and "double d'argent" are used to indicate that at least 1/10th of the total weight of an article must be silver of 925 parts by weight fineness or better.

Silver plated: "silver plated", "silver plate", "silver electroplate", "plaque d'argent" and "electro-plaque d'argent" are used to designate an article that has a plating of silver of 925 parts by weight applied to its surface. Lasting ability cannot be guaranteed.

Industrial Designs

An industrial design is an original shape, pattern or ornamentation applied to an article of manufacture. The article must be made by an industrial process.

The protection offered is for an initial period of five years and is valid only in Canada. Initial registration fee is $160. A renewal may be obtained for a further five years for a fee of $215.

Registration must be completed within 12 months after the design has been made public in Canada. Only the author of the design may obtain registration, unless the author was hired to create the design, in which case the employer is the owner, and the only one authorized to request registration.

Industrial designs may be sold outright or may be licensed for a period of time providing a legal form of transfer is employed. To avoid possible legal problems, such transactions should be recorded with the Industrial Design Office.

Protection provided by the *Industrial Design Act* is frequently confused with protection under the *Copyright Act*. Many designs, being works of art, are automatically protected under the *Copyright Act*. However, once the original artistic work is used or intended to be used as a model or pattern to produce more than 50 single articles or sets of articles, the artistic work then becomes an industrial design, which can only be protected under the *Industrial Design Act*.

Normal time for registration is approximately 6 months unless changes to descriptions or drawings are required. The Industrial Design Office is not permitted to express opinions on the merits of a design or indicate whether the design is acceptable prior to the submission of a formal application.

While it is possible for the individual to proceed on his own, it is considered advisable to obtain the services of a registered patent agent or attorney.

Copyrights

An author or creator of artistic or cultural works in the fields of literature, drama, music and art is the only person who may copy or permit someone else to copy the work. Copying includes publishing, producing, reproducing or performing.

In Canada, copyright is automatically acquired upon creation of an original work provided that, at the time, the author is one of the following:

- a Canadian citizen or a British subject;
- a resident within the British Commonwealth;
- a citizen or subject of a country belonging to the Berne Copyright Convention;
- a citizen or subject of a country with which Canada has a reciprocal arrangement.

Although it is not necessary to register a copyright, registration is evidence that the person registered is the copyright owner. Registration can also be used in court to establish ownership.

The author owns the copyright to his work unless he was hired by some other person to create the work, in which case the employer is the copyright owner.

Copyright applies to all original literary, dramatic, musical and artistic works. These include books, writings, physical works, sculptures, paintings, photographs, motion pictures, dictionaries and encyclopedias. Copyright also applies to mechanical and electronic contrivances such as records, tapes and cassettes including videotapes and videocassettes.

In Canada, the duration of the copyright is for the life of the author plus 50 years, with the following important exceptions:

Author unknown: Copyright exists for 50 years from the date of first publication of the work.

Crown copyright: Copyright in a work published by or under the direction of Her Majesty the Queen or any government department exists for 50 years from the date of first publication of the work.

Mechanical or electronic contrivances (records, tapes and other contrivances by means of which sounds may be mechanically or electronically reproduced): The term of copyright is for 50 years from the date of making the original plate or tape from which the contrivance was directly or indirectly derived.

Photographs: Copyright exists for 50 years from the date of making the original negative from which the photograph was directly or indirectly derived.

Posthumous works: For works not published at the time of the author's death, copyright exists for 50 years from the date of their publication, delivery or performance.

Works of joint authorship: Copyright exists during the life of the author who dies last and 50 years following his death.

Canadian copyrights are valid in all countries that are members of either the Berne Copyright Convention or the Universal Copyright Convention, which includes most of the countries in the world, the notable exception being China.

The provisions of the Universal Copyright Convention require that all copies of works from the time of first publication, be marked with a small c in a circle, the name of the copyright owner, and the year of first publication, for example © John Doe, 1985. This applies to all member countries that require registration, such as the United States. The rule does not apply in Canada, but is a worthwhile and recommended practice.

Copyrights may be sold or licensed and broken down into various rights, such as reproduction rights, film rights, translation rights, performance rights. Each can be negotiated separately. Rights may also be sold on a geographic basis, with the rights to a work being held by one person in Australia, by another in Britain and still another in the United States - all at the same time.

The fee for examination and registration of a copyright is $35 (subject to change without notice). A certificate is issued when the application is approved.

On the death of a copyright holder, the copyright becomes part of the estate and the property of the heirs. Copyrights may also be issued to the heirs for works unregistered prior to the author's death.

Copies of the *Copyright Act* and rules are available at any bookstore selling federal government publications or from:
Department of Supply and Services
Publishing Centre
Mail Order Section
Hull, Quebec
K1A 0S9

The mailing address of the Canadian Copyright Office is:
Copyright and Industrial Design Branch
Bureau of Corporate Affairs
Consumer and Corporate Affairs
Ottawa, Ontario
K1A 0C9

Royalties paid for public performances of copyrighted musical works are collected by performing rights societies and distributed to their members, the composers, authors or publishers.

These societies are authorized under the *Copyright Act* to perform this service. The two Canadian societies are:

The Performing Rights Organization of Canada Limited
(PROCAN)
41 Valleybrook Drive
Don Mills, Ontario
M3B 2S6
Telephone: 416-445-8700

The Composers, Authors and Publishers Association of
Canada Limited (CAPAC)
1240 Bay Street
Toronto, Ontario
M5R 2C2
Telephone: 416-924-4427

Licences, Permits, And Regulations

Licences, permits, certificates and regulations protect the public interests in safety, health, resource conservation, and fair and proper business practices as well as to protect you, the business person.

Regulations and requirements are not made lightly. It is your responsibility to comply with any acts that apply to your business. Not knowing or not complying may prove to be costly to you in both time and money.

Following is a very brief outline of municipal, provincial and federal acts which apply to business. Some require licences, permits or certificates; others require only compliance with the regulations.

Since acts are subject to continual updating and revision, you should contact the appropriate department for full details.

Municipal Regulations

Municipal regulations vary slightly from community to community. In large communities there will be different departments dealing with different regulations, while small communities may have only one or two persons dealing with all regulations.

Building Permits - for all new construction, alterations and additions

Zoning Regulations - regulate location of various types of business

Property Taxation - assessment and taxation on property

Business Licensing - local business licences and business taxes

Amusement Tax Licence - licences and taxes on certain forms of paid entertainment

Water Department - applications for water and sewer services

Health Regulations - Regina and Saskatoon have health departments which administer health regulations locally

Some communities may also partially administer gas and electricity.

Provincial Regulations

Act	Type of Regulation	Contact
Agricultural Implements Act	Farm equipment manufacturers, distributors and dealers	Justice
Air Pollution Control Act	Any firms discharging waste into the atmosphere	Environment and Public Safety
Animal Products Act	Individuals and businesses producing, raising, grading, dealing or otherwise handling animals or animal products, except cattle, horses, sheep and swine for meat, for wool production or for breeding stock	Agriculture and Food
Apprenticeship and Tradesmen's Qualification Act	Regulates trade training and licensing for barbers, boilermakers, hairdressers, heavy duty and industrial mechanics, linesmen, machinists, painters and decorators, pipefitters, plumbers, radio and TV electronics, refrigeration and air conditioning, roofers, sheet metal workers, tile setters, welders, autobody repair and auto mechanics	Human Resources, Labour and Employment
Auctioneers Act	Auctioneers	Justice
Boiler and Pressure Vessel Act	Manufacturers, dealers and users of steam or pressure equipment	Human Resources, Labour and Employment
Bulk Sales Act	Most vendors who sell, transfer or convey stock or part thereof, out of the usual course of business or trade of the vendor, or sell, transfer or convey the entire stock-in-trade, or sell, transfer or convey an interest in the business or trade	Justice
Business Corporations Act	Incorporated corporations	Justice
Business Names Registration Act	Any business operating under a name, other than that of the owner, or a partnership or corporation using a tradestyle	Justice
Collection Agent Act	Collection agents and collectors	Justice
Consumer Products Warranties Act	Manufacturers, importers, wholesalers and retailers of consumer products	Justice
Co-operatives Act, 1989	Co-operatives	Justice
Cost of Credit Disclosure Act	Most lenders and firms selling on credit	Justice
Credit Reporting Agencies Act	Consumer credit reporting agencies	Justice
Direct Sellers Act	Individuals or firms selling from house to house or soliciting orders for future delivery	Justice

Act	Type of Regulation	Contact
Education and Health Tax Act	All businesses selling taxable goods and services at retail or using taxable goods for their own consumption	Finance
Electrical Inspection and Licensing Act, 1981	Electricians, electrical contractors, electrical utilities, manufacturers of electrical equipment	Human Resources, Labour and Employment
Employment Agencies Act	Employment agencies	Human Resources, Labour and Employment
Environmental Assessment Act	Any individual or firm proposing to develop, alter or expand an operation which may have an effect upon the environment	Environment and Public Safety
Film and Video Classification Act	Motion picture theatres and drive-ins, projectionists, certain open air theatres, video rental stores	Justice
Fire Prevention Act	Manufacturers, installers or vendors of fire extinguishers, flammable liquids, oil burners and oil burning equipment	Human Resources, Labour and Employment
Fisheries Act	Fish dealers, fish processing and packing plants	Parks and Renewable Resources
Forest Act	Sawmills, pulp mills, plywood mills, timber haulers, timber treating plants, cutting operations, logging	Parks and Renewable Resources
Fuel Tax Act	Vendors of aviation fuel used by commercial airlines and locomotive fuel used by railways	Finance
Garage Keepers Act	Garages, service stations	Justice
Gas Inspection and Licensing Act	Manufacturers, installers and vendors of gas equipment	Human Resources, Labour and Employment
Ground Water Conservation Act	Water well drilling contractors and users of ground water	Environment and Public Safety
Highway Act	Any firm planning construction or erection of works adjacent to a provincial highway or a pipeline or drainage work across a public highway other than an urban street, transportation companies or any firm requiring access to property from a provincial highway	Highways and Transportation
Insurance Premiums Tax Act	Insurance companies	Finance
Labour Standards Act	All employers	Human Resources, Labour and Employment

Act	Type of Regulation	Contact
Liquor Act and Liquor Licensing Act	Brewers, distillers, wineries, importers, exporters, liquor stores and vendors, restaurants, hotels, lounges, any seller of alcoholic beverages, druggists, dentists, veterinarians, physicians, hospitals, educational institutions, scientific and research firms and transporters of alcohol	Liquor Board, Liquor Licensing Commission
Liquor Consumption Tax Act	All businesses selling liquor	Finance
Litter Control Act	Manufacturers and vendors of containerized beverages, bottle return depots	Environment and Public Safety
Mechanics' Lien Act	Contractors, sub-contractors, building material suppliers	Justice (through Land Titles Office)
Milk Control Act	Producers of milk and milk products	Agriculture and Food
Mortgage Brokers Act	Mortgage brokers	Justice
Motor Dealers Act	Dealers in motor vehicles, motorcycles and snowmobiles	Justice
Occupation Health and Safety Act	All employers, including the self-employed and farmers	Human Resources, Labour and Employment
Oil and Gas Conservation Act	Producers, drill rig and service rig operators, casing pullers	Energy and Mines
Ophthalmic Dispensers Act	Ophthalmic dispensers	Health
Passenger and Freight Elevator Act	Manufacture, installation, repair and maintenance of elevators	Environment and Public Safety
Pension Benefits Act	Employers who establish pension plans, employee members of such plans and plan trustees	Human Resources, Labour and Employment
Personal Property Security Act	Provides secured parties a means of registering a security interest in the personal property of a debtor	Justice
Pest Control Products (Saskatchewan) Act	Manufacturers, sellers and applicators of pesticides	Agriculture and Food
Pharmacy Act and Prescription Drug Act	Pharmacies/drug stores	Health
Pollution (by livestock) Control Act	Livestock operators	Agriculture and Food
Private Investigators and Security Guards Act	Private investigators, security guards	Justice

Act	Type of Regulation	Contact
Public Health Act	Food and beverage services, abattoirs and packing plants, hotels and motels, campgrounds and other tourist accommodation, mobile home parks and trailer courts, barber and beauty culture facilities	Health
Pyramid Franchise Act	Pyramid franchisers	Justice
Radiation, Health and Safety Act, 1985	Manufacturers, sellers, installers and users of radiation equipment	Human Resources, Labour and Employment
Real Estate Brokers Act	Real estate agents and salesmen	Justice
Sale of Training Courses Act	Individuals and firms offering instructional courses not covered by the Department of Education Act	Justice
Saskatchewan Human Rights Code	All employers	Saskatchewan Human Rights Commission
Saskatchewan Pension Plan	Self-employed persons, part-time workers, small business employees and homemakers	Finance
Securities Act	Brokers, investment dealers, broker-dealers, security issuers or underwriters, securities advisors and investment counsellors	Securities Commission
Tobacco Tax Act	Tobacco wholesalers, retailers and cigarette vending machine operators	Finance
Trade Union Act	Employers with unionized employees	Human Resources, Labour and Employment
Trust and Loan Companies Licensing Act	Trust and loan companies	Justice
Uniform Building and Accessibility Standards Act	Building owners	Environment and Public Safety
Vehicles Act, 1983	Manufacturers of motor vehicles and trailers, transportation firms, auto wreckers, vehicle dealers, buyers, sellers and movers of trailers and semi-trailers , vehicle rental firms	Highway Traffic Board
Warehousemen's Lien Act	Storage firms	Justice
Water Corporation Act	Regulates use of water supplies and discharges into water supplies	Saskatchewan Water Corporation
Water Corporation Act	Regulates use of surface water supplies	Saskatchewanr Wate Corporation
Water Corporation Act	Any individual or firm constructing drainage works	Saskatchewan Water Coporation

Act	Type of Regulation	Contact
Wildlife Act	Tanners, taxidermists, game farms, zoos, guides and outfitters, wildlife importers and exporters, bird dog trainers	Parks and Renewable Resources
Workers Compensation Act	All employees	Workers' Compensation Board

Federal Acts

Act	Type of Regulation	Contact
Aeronautics Act	Air carriers	Transport Canada
Animal Disease and Protection Act	Manufacturers of a veterinary biological product; auction markets and auctioneers; interprovincial motor or air carriers of animals	Agriculture Canada
Broadcasting Act	Radio, cable television and television stations	Canadian Radio Television and Telecommunications Commission
Canada Agricultural Products Standards Act	Produce warehouses, packing plants, container manufacturers, importers, exporters, processors	Agriculture Canada
Canada Business Corporations Act	All companies incorporated and/or continued under the Canada Business Corporation Act	Consumer and Corporate Affairs
Canada Co-operative Associations Act	Associations incorporated under Canada Co-operative Associations Act	Consumer and Corporate Affairs
Canada Dairy Products Act	Creameries, dairies, cheese manufacturers, processors and packers of dairy products, importers and exporters	Agriculture Canada
Canada Grains Act	Primary terminal or transfer grain elevators	Agriculture Canada

There are often changes in services and programs available. This information was accurate at time of publication. Please contact your nearest Business Resource Centre for updates.

Act	Type of Regulation	Contact
Canada Labour Code	All employees under Federal jurisdiction including interprovincial and international transportation, communication, pipelines, broadcasting, banking, grain elevators, uranium mining and processing, flour and feed mills, feed warehouses and cleaning mills Covers: **Canada Labour Standards Regulations** • Canada Accident Investigation and Reporting Regulations • Canada Boiler and Pressure Vessel Regulations • Canada Confined Spaces Regulations • Canada Electrical Safety Regulations • Canada Elevating Devices Regulations • Canada Fire Safety Regulations • Canada First Aid Regulations • Canada Hand Tools Regulations • Canada Machine Guarding Regulations • Canada Materials Handling Regulations • Canada Noise Control Regulations • Canada Protective Clothing Regulations • Canada Safe Illumination Regulations	Labour Canada
Canada Pension Act	All employers	Revenue Canada Taxation
Clean Air Act	Mines, mills, industrial plants or factories, smelters, fuel producers and importers	Environment Canada
Consumer Packaging and Labelling Act	Firms packaging and labelling prepackaged consumer products, manufacturers and importers of prepackaged consumer goods	Consumer and Corporate Affairs
Criminal Code	Manufacturers, importers, distributors, wholesalers, jobbers, retailers, repair shops and pawn brokers dealing in firearms	Solicitor General
Customs Act and Customs Tariff Act	Importers, exporters, bonded warehouses, customs brokers	Revenue Canada Customs and Excise
Defense Production Act	Every person or firm who enters into a defense contract with the Government of Canada	Supply and Services Canada
Electricity Inspection Act	Manufacturers and importers of electricity meters and electrical instruments	Consumer and Corporate Affairs
Excise Act	All firms subject to excise taxes; customs brokers; distillers and brewers; manufacturers of denatured alcohol; pharmacists; bonded warehouses; importers of goods subject to excise tax	Revenue Canada Customs and Excise
Excise Tax Act	Manufacturers, producers, wholesalers and jobbers of gasoline in bulk	Revenue Canada Customs and Excise

Act	Type of Regulation	Contact
Explosives Act	Manufacturers, importers, transporters, storers, handlers and sellers of explosives, ammunition and fireworks	Energy, Mines and Resources
Export and Import	Exporters, importers, customs brokers	Revenue Canada Customs and Excise
Fair Wages and Hours of Labour Act	Contractors and sub-contractors performing construction, renovation or demolition work for the Government of Canada	Labour Canada
Feeds Act	Manufacturers, importers of animal feeds	Agriculture Canada
Fertilizers Act	Manufacturers of fertilizers	Agriculture Canada
Fish Inspection Act	Importers, exporters, canneries	Fisheries and Oceans
Fisheries Act	Plants producing chlorine and alkali metal hydroxide; pulp and paper mills	Fisheries and Oceans
Food and Drug Act	Manufacturers, processors, importers, packagers, labellers and sellers of food, food additives, cosmetics and medical devices, drugs, pharmacies, medical practitioners and institutions using restricted or controlled drugs	Health and Welfare
Gas Inspection Act	Manufacturers of gas meters	Consumer and Corporate Affairs
Hazardous Products Act	Manufacturers, importers, exporters, packagers and sellers of car seats, cradles and cribs, pacifiers, toys, playpens, carpets, charcoal, liquid coating materials, glazed ceramics, hazardous substances, pressurized containers, kettles and matches	Consumer and Corporate Affairs
Income Tax Act	All businesses	Revenue Canada
Income Tax Rebate Discounting Act	Any individual or firm purchasing another's right to a tax rebate at a discount on the amount of the rebate	Consumer and Corporate Affairs
Livestock and Livestock Products Act	Packing plants, graders, processors, transportation companies, stockyards, hatcheries, tanneries	Agriculture Canada
Meat Inspection Act	Packing plants, importers	Agriculture Canada
Migratory Birds Convention Act	Taxidermists	Environment Canada
Motor Vehicle Safety Act	Manufacturers, assemblers, distributors and importers of motor vehicles or motor vehicle components for delivery to a manufacturer	Transport Canada
Motor Vehicle Tire Safety Act	Manufacturers and importers of motor vehicle tires	Transport Canada

Act	Type of Regulation	Contact
Narcotics Control Act	Manufacturers and distributors of narcotics, pharmacists and medical practitioners	Health and Welfare Canada
National Housing Act	Loan and trust companies, banks and credit unions, building societies	CMHC
National Park Act	All establishments within a national park and anyone who plans to build in a national park	Environment Canada
Oil and Gas Production and Conservation Act	Drilling operators on federal Crown land and drilling operators carrying out formation flow tests by wireline	Energy, Mines and Resources
Pest Control Products Act	Manufacturers, importers, sellers and applicators of pesticides	Agriculture Canada
Petroleum Administration Act	Importers and exporters of crude oil, anyone who collects, gathers, accumulates, mixes and blends crude oil for sale or transportation, transporters of crude oil	Energy, Mines and Resources
Petroleum Corporations Monitoring Act	Corporations engaged in exploration, development, production, refining and marketing of petroleum or petroleum products	Energy, Mines and Resources
Precious Metals Making Act	Manufacturers, importers and sellers of precious metals and products containing precious metals	Consumer and Corporate Affairs
Radio Act	Manufacturers and importers of machinery, apparatus or equipment producing electrical disturbances capable of being received by a radio receiving apparatus, radio stations	Communications Canada
Radiation Emitting Devices Act	Manufacturers, distributors and importers of radiation emitting devices including television receivers, x-ray equipment, microwave ovens, demonstration type gas discharge devices, laser scanners, demonstration lasers and low energy electron	Health and Welfare Canada
Textile Labelling	Manufacturers, importers, processors and finishers of textile products	Consumer and Corporate Affairs
Unemployment Act	All employers	National Revenue Taxation
Weights and Measures Act	Manufacturers, importers, sellers and users of weighing or measuring devices used in trade	Consumer and Corporate Affairs

Assistance From Saskatchewan Economic Diversification And Trade

1919 Saskatchewan Drive
Regina, Saskatchewan S4P 3V7
Phone: (306) 787-1605

The mandate of the department is to work with businesses, communities and people to expand and diversify the Saskatchewan economy.

Business Information And Advisory Services

Entrepreneurs and established businesses can obtain information on a wide variety of topics ranging from business ratios and statistics to a "How to" series of leaflets from Business Resource Centres. Resource materials include this book on Starting a Small Business in Saskatchewan, an Entrepreneurs Series which provides information on start-up and operational concerns of approximately 200 lines of business, community profiles and specialized reports and bulletins. Information is also available on markets, sources of supply and all government programs relevant to business.

Regional business representatives can also provide assistance and advice to existing or newly establishing businesses on developing business and/or marketing plans, locating sources of funding, analyzing business situations and opportunities, and applying for government support.

An information service located at head office in Regina can supply detailed business information obtained from a variety of sources including Statistics Canada, an industry-specific data bank and numerous published and unpublished government studies. A number of special files on industrial land availability, contractual research and development services, training and procurement are also available for reference. Information requests are handled by a small business research team.

Contact your nearest regional business representative.

There are often changes in services and programs available. This information was accurate at time of publication. Please contact your nearest Business Resource Centre for updates.

Business Resource Centres

Business Resource Centres are located in thirteen regions to provide easy access to department services.

Each centre has:

- a library of management publications on more than 200 lines of business;
- marketing and other statistical data;
- business opportunity information and sources;
- facts on government and non-government assistance for business.

Regina:
Main Floor, 1870 Albert Street
Regina, Saskatchewan
S4P 3V7
Phone: 787-2207
Fax: 787-7055

Saskatoon:
311 - 21st Street East
Saskatoon, Saskatchewan
S7K 2H6
Phone: 933-5750
Fax: 933-7692

Estevan:
1314 - 3rd Street
Estevan, Saskatchewan
S4A 0S2
Phone: 634-0795
Fax: 634-9919

Swift Current:
367 Central Avenue N.
Swift Current, Saskatchewan
S9H 0L5
Phone: 778-8415
Fax: 773-4425

La Ronge:
P.O. Box 5000
La Ronge, Saskatchewan
S0J 1L0
Phone: 425-4261
Fax: 425-4267

Buffalo Narrows:
Phone: 235-4441

Creighton:
Phone: 688-3403

Yorkton:
7 - 1st Avenue North
Yorkton, Saskatchewan
S3N 1J3
Phone: 786-1415
Fax: 786-1417

North Battleford:
1281 - 100th Street
North Battleford, Saskatchewan
S9A 0V6
Phone: 446-7444
Fax: 446-7442

Lloydminster:
Phone: 825-6472

Moose Jaw:
102 - 111 Fairford Street East
Moose Jaw, Saskatchewan
S6H 7X5
Phone: 694-3623
Fax: 692-6770

Prince Albert:
Main Floor, McIntosh Mall
800 Central Avenue
Prince Albert, Saskatchewan
S6V 5G1
Phone: 953-2275
Fax: 922-6499

Meadow Lake:
207 - 3rd Street East
Meadow Lake, Saskatchewan
S0M 1V0
Phone: 236-7644
Fax: 236-7646

Professional Services

Through the department's Business Resource Centres, representatives provide planning and advisory services to business. The representatives know government programs and other sources of assistance. They help with:

- plans for a new business;
- business expansion;
- management improvement.

Service To Inventors

Counselling by a patent agent is provided to inventors and small business entrepreneurs:
- information on what patents and patent searches mean;
- how to determine marketability;
- how to have a search conducted and at what cost.

Community Bond Program

Community Bonds are a new approach to community development and economic diversification. The program provides the means for local people to invest in local industries.

Community Bond Corporations are established by a group of local people after receiving a supporting resolution from the local municipality. Rural Development Corporations may establish a Community Bond Corporation directly. Bond corporations have the authority to make equity investments in eligible businesses and to issue the bonds.

A Community Bond Corporation may invest in a specific project or may form a community investment pool. For a specific project, a provincial Review Committee evaluates the proposed project and if accepted, the guarantee is committed and the bonds are approved for sale to local people and Saskatchewan residents. For investment pools, the Review Committee evaluates the proposed bond issue first and subsequently evaluates each proposed investment.

The principal of the bond amount is guaranteed by the province, however the return on the investment (dividends) is not guaranteed but is dependent on the success of the project in which the investment is made.

Eligible businesses are limited to new or expanding corporations with their head offices in Saskatchewan and primarily involved with:

- manufacturing and processing;
- export services;
- destination tourism developments; and
- commercial water projects.

Eligible purchasers of Community Bonds are Saskatchewan residents and local entities. Bond purchases may range from a minimum of $100 to a maximum of $50,000 up to 10 per cent of the bonds issued.

For more information or assistance in forming a Community Bond Corporation, contact:

Community Bond Office
Saskatchewan Economic Diversification and Trade
1919 Saskatchewan Drive
Regina, Saskatchewan
S4P 3V7
1-800-575-BOND

Northern Saskatchewan Economic Development Revolving Fund

The Northern Saskatchewan Economic Development Revolving Fund (Northern Revolving Fund) is one of the major sources of financing for business development initiatives in northern Saskatchewan. The program stimulates business development and equity investment in the Northern Administrative District, and ensures that northern residents benefit from diversification opportunities.

The Revolving Fund provides fixed term and fixed rate financing. Interest rates are presently ten (10) per cent per annum for all business ventures.

Eligible applicants are:

- Northern Saskatchewan residents who have lived in the Northern Administrative District (NAD) for fifteen years or one half of their lifetime;
- co-operatives, corporations, or partnerships in which the controlling interest is retained by person(s) meeting the above northern residence requirement; or
- local governments in the NAD.

Financing is available for almost every type of business endeavour in the NAD including, but not limited to:

- retailing, wholesaling and manufacturing;
- commercial fishing, trapping and wild rice farming;
- construction and contracting; and
- working capital.

Contact:

Northern Revolving Loan Fund (306) 425-4295

or

Business Resource Centre (306) 425-4261

Saskatchewan Economic Diversification and Trade
Box 5000
La Ronge, Saskatchewan
S0J 1L0

Tourism Related Programs

Community Tourism Assistance Program

The Community Tourism Assistance Program (CTAP) will provide funding support for projects identified in community tourism plans. The program provides both development and marketing assistance with focuses on three areas:

- Forming tourism committees;
- Development of a community tourism plan;
- Government funding support for development and marketing projects. Project support is also available for developing or improving public facilities that have a potential to attract and hold new tourists.

To be eligible for CTAP funding support both the tourism committee and the tourism plan must be endorsed by the local government.

Contact: Program Coordinator, CTAP
Tourism Development Branch
Economic Diversification & Trade
Phone: (306) 787-2313
1-800-667-7541

Destination Saskatchewan Program

The Destination Saskatchewan Program enhances the growth of the tourism industry in Saskatchewan. This program replaces the expired Canada-Saskatchewan Tourism Sub-Agreement.

The program consists of four program areas with the types and levels of assistance varying according to the area:

- **Tourism Product Development** - capital assistance to international and national travel generators, specially-themed small businesses.
- **Tourism Market Development** - capital assistance for destination areas, event promoters, tourism consortiums and inbound tour development.
- **Industry Organization Support** - grant assistance to tourism-related associations on a regional and sectoral basis.
- **Research and Planning Support** - cost-shared assistance to cover advance planning requirements in area destination strategies and feasibility studies.

In most cases, applicants will be required to provide a minimum of 20 per cent equity toward the capital costs of their projects. Emphasis will be placed on projects which contribute to the development of tourism destination areas.

Contact: Tourism Development Branch
Economic Diversification and Trade
Phone: (306) 787-2867 (Regina)
(306) 933-5746 (Saskatoon)

Tourism Development Program

The Tourism Development Branch provides technical assistance to guide private sector investors through the regulatory processes of government and to expedite the approval procedures.

In general terms, all development proposals submitted to the Tourism Development Branch should include: a general description; an estimate of costs; an operating plan; a description of how the project relates to the area's resources; the timing and phasing of the project; financial considerations - both developmental and personal; and the developer's intention to honour performance conditions where the project involves the sale or lease of Crown land.

Contact: Tourism Development Branch
Economic Diversification and Trade
Phone: (306) 787-2867

Industrial Opportunity Programs

Cost-Shared Market Feasibility Program

The program provides cost-shared financial assistance toward the cost of undertaking market or feasibility studies for new or expanding manufacturing or processing projects in Saskatchewan. The program can contribute up to 50 per cent of the cost of market or feasibility studies required to assess prospects for new plants or expansions.

Contact: Industrial Opportunities Branch
Saskatchewan Economic Diversification and Trade
Phone: (306) 787-9101

Investor Information Service

The Investor Information Service provides information and assistance to enterprises considering a Saskatchewan location.

The service provides extensive, current data for business needs prepared as customized information packages for individual corporate requirements. The service is provided free of charge.

Contact: Industrial Opportunities Branch
Saskatchewan Economic Diversification and Trade
Phone: (306) 787-9210

Labour-Sponsored Venture Capital Program

The program promotes the formation of venture capital corporations by employees of a small business to provide equity capital for the expansion of existing facilities or establishment of new businesses. A 20 per cent federal and a 20 per cent provincial tax credit are available to the investor.

Contact: Investment Programs Branch
Economic Diversification and Trade
Phone: (306) 787-2252
Toll Free in Saskatchewan: 1-800-667-7530

Business Immigration Programs

Categories: Entrepreneur and Self-Employed Investor

Under *The Immigration Act, (Canada)*, the programs provide business persons and investors the opportunity to enter Canada based on their investment portfolio and business experience, in addition to meeting all immigration regulations. The role of the province is to comment on the economic impact of a business venture and to provide current assistance available to business.

Contact: Business Immigration Programs
Investment Programs Branch
Economic Diversification and Trade
6th Floor, 1919 Saskatchewan Drive
Regina, Saskatchewan
S4P 3V7
Phone: (306) 787-9212
Fax: (306) 787-3989

Services For Exporters

Trade policy, development and promotion are co-ordinated by the International Division, which works closely with exporters and other governments to develop out-of-province sales of Saskatchewan goods and services.

Through international trade promotion, the division helps Saskatchewan exporters increase international sales. Trade development activities help identify new potential markets for exports. Trade policy representatives support the interests of Saskatchewan exporters in national and international trade negotiations such as the Canada-U.S. Free Trade Agreement and the General Agreement on Tariffs and Trade.

Contact: International Division
Economic Diversification and Trade
1919 Saskatchewan Drive
Regina, Saskatchewan
S4P 3V7
Phone: (306) 787-2171

Science And Technology Programs

Liaison, Advisory and Facilitation Services to New Technology Businesses

Counselling services assist with the preparation of business plans, market data and other information necessary to secure financing of new technology businesses.

Requests For Proposals Program

Financial assistance is provided to offset part of the costs of preparing proposals for large projects originating outside the province. Up to one-third of the cost of proposal preparation to a maximum of $10,000 is paid.

Feasibility Studies Program

The program provides financial assistance up to $2,500 for the small firm, which has little or no marketing capability and limited technical capability, to accurately assess whether a proposed product is technically feasible and whether it will sell.

Information Transfer Program

The program provides financial assistance to bring industry-oriented technology information to the Province of Saskatchewan through such activities as seminars, conferences, invited guest speakers, etc.

Industrial Research Program

The program provides financial assistance to support the research and development of advanced technology products and processes, and to help firms develop increased manufacturing capabilities. The program is complementary to existing federal funding for up to 25 per cent of the cost of research expenses.

The program applies to Saskatchewan-based companies that are conducting research for new technology in products or processes, and firms that can confirm access to federal research funds.

Joint High Technology Research Program

The program provides financial assistance to support research projects in areas of mutual government and industry interest. It funds up to 50 per cent of research costs performed by industrial companies and supported by the province in technology fields of high provincial priority.

Research Infrastructure Program

The program provides financial support for the establishment or expansion of industrial research institutes and/or centres of excellence in the province. Support is aimed at incremental funding over and above that which is provided from federal sources.

Capital Equipment Program

The program provides financial assistance of up to 50 per cent for the purchase of research equipment required to support specific areas of industrial research to be undertaken at a Saskatchewan university or the Saskatchewan Research Council. The equipment must remain the property of a Saskatchewan university or the Saskatchewan Research Council. The remaining 50 per cent of the equipment cost is to be provided by industry.

Contact: Science and Technology Division
Economic Diversification and Trade
Phone: (306) 787-9482 (Regina)
(306) 933-7200 (Saskatoon)

Assistance From Buy Saskatchewan Agency

Objective

To help suppliers secure a larger share of markets by maximizing Saskatchewan content in public and private sector purchases and major capital projects.

Assistance Available

The Buy Saskatchewan Agency identifies Saskatchewan suppliers which can, or have the potential to, meet the goods and services requirements of procurement officials and major project developers. Saskatchewan firms and their capabilities are listed on a computer database which helps the agency match suppliers with potential purchasers.

Buy Saskatchewan helps users of goods and services to:
- identify capable suppliers;
- source Saskatchewan firms through product substitution, import replacement and technology transfer; and
- remove impediments that might prevent Saskatchewan suppliers from competing for contracts.

Buy Saskatchewan assists suppliers of goods and services by providing:
- procurement and/or engineering contacts;
- listings of upcoming major projects and government-funded purchases;
- information on procurement policies and procedures and market requirements; and by recommending marketing tools and approaches.

Buy Saskatchewan Agency produces a range of directories and handbooks for both suppliers and purchasers.

For more information contact:

Buy Saskatchewan Agency
Mezzanine Level
1919 Saskatchewan Drive
Regina, Saskatchewan
S4P 3V7
Telephone: (306) 787-2206
Fax: (306) 787-9397

or

Buy Saskatchewan Agency
Annaheim Square
231 - 4th Avenue
Saskatoon, Saskatchewan
S7K 1N1
Telephone: (306) 933-5754
Fax: (306) 933-7688

There are often changes in services and programs available. This information was accurate at time of publication. Please contact your nearest Business Resource Centre for updates.

Other Government Services To Business

Saskatchewan Economic Development Corporation Programs

Youth Entrepreneur Program

Purpose:

- To encourage and assist Saskatchewan's youth in the creation of small new business ventures which will create self-employment and other related employment opportunities.

Eligibility:

- The applicant must be a corporation incorporated under *The Business Corporations Act, 1977* of the Province of Saskatchewan;
- At least 50 per cent of the company must be owned by shareholders between 18 and 30 years of age;
- Shareholders of the company must be bona-fide Saskatchewan residents since January 1, 1984;
- Loans are not available to refinance existing debt in any amount. Loans available until total funding under the program of $250,000 has been provided;
- Eligibility in all situations must be within SEDCO's powers as defined under *The Industrial Development Act.*

Participating Loans

Purpose:

- To start a new business, expand or recapitalize an existing one;
- To finance research and development, prototype manufacturing and other difficult to finance activities;
- To attract additional financing and investment.

Eligibility:

- Saskatchewan individuals and companies who would carry on business in Saskatchewan;
- Projects are evaluated on a case by case basis with no minimum shareholder investment required;
- Businesses must demonstrate effective management and present a viable business plan.

Retail Operating Loans

Purpose:

- To provide additional operating capital to Saskatchewan businesses engaged in wholesale/retail sales;
- To provide financial assistance up to an amount equal to 50 per cent of normal inventory levels. The funds may also be used for almost any valid business purpose.

Eligibility:

- Saskatchewan-based retailers/wholesalers;
- Borrower must demonstrate that operations are based primarily on selling inventory;
- Borrower must demonstrate the need for inventory expansion or operation upgrading.

Working Capital Loans

Purpose:

- To help existing Saskatchewan businesses which have proven to be viable but have been unable to attract sufficient working capital from lenders.

Eligibility:

- Proprietorship, partnership or corporation that has operated for a minimum of three years in the Province of Saskatchewan;
- Must have a reasonable level of equity;
- Bank or credit union must agree that these funds can be used to augment, not simply reduce, the existing line of credit.

Small Business Loans Association

Purpose:

- Enables individuals or businesses in Saskatchewan to form Small Business Loans Associations for raising investment capital to establish new businesses in their community;
- Expand the economic base of Saskatchewan by involving existing businesses in the formation of new ones.

Eligibility:

- Four or more individuals, partnerships, co-operatives or corporations who form a Small Business Loans Associations for profit.
- Rural Development Corporations and Community Development Corporations that are incorporated will qualify as Small Business Loans Associations.

For more information on the above programs, contact the nearest SEDCO office or Business Resource Centre.

Contact:

SEDCO
1600 SEDCO Centre
15 Innovation Boulevard
Saskatoon, Saskatchewan
S7N 2X8

933-6296

SEDCO
1106 Winnipeg Street
Regina, Saskatchewan
S4P 3W2

787-7200

Saskatchewan Indian and Natives Affairs Secretariat

Native Career Development Program

Description:

- The program provides Native peoples with employment training opportunities. It works with employers to identify jobs for which Native workers can be trained. A training program is then developed to provide practical experience, formal training and individualized tutoring as required. Upon completion of training, the individual is guaranteed a permanent job with the employer.

- Living allowances, training costs, books, and reimbursement of wages during training is provided. In the majority of cases no more than 50 per cent of the trainee's salary is provided.

Eligibility:

- The program is open to unemployed Native peoples.
- Employers include Crown corporations, private and selected non-profit organizations.

Contact:

3rd Floor, 1870 Albert Street
Regina, Saskatchewan
S4P 3V7
(306) 787-5724

Indian Economic Development Program

Description:

- The program funds projects which can demonstrate their economic viability over the long term and ability to create jobs.
- Priority is generally given to projects in areas such as agriculture, forestry, manufacturing, resource development, tourism and small business.

Funding:

a. Capital Costs

i) **Bands** - up to a maximum of $150,000 provided the grant does not exceed 50 per cent of the capital cost.

ii) **Individuals** - up to a maximum of $35,000 provided the grant does not exceed 50 per cent of the capital cost.

b.Operating Costs

The program provides for a percentage of operating costs to a maximum funding ceiling and this varies depending on whether it is a band or an individual.

- No funding will be provided for **only** operating costs in the first year.

Contact:

Saskatoon
3130 - 8th Street E., S7K 2H6
(306) 933-7650

Regina
3rd Floor - 1870 Albert Street S4P 4B7
(306) 787-6678

Saskatchewan Social Services

Saskatchewan Works

Description:

Saskatchewan Works will fund business, local government or non-profit projects that bring economic and social benefits to the province and create immediate and productive employment for residents who are receiving benefits under the Saskatchewan Assistance Plan.

Eligibility:

Saskatchewan businesses, local government bodies and non-profit organizations are eligible to submit project proposals to Saskatchewan Works. Qualified employers must be:

- legally entitled to operate within the province;
- able to provide supporting financial and administrative resources to a project;
- willing to hire persons presently receiving social assistance; and
- creating new positions within your organization which would not otherwise exist without Saskatchewan Works funding.

Contact:
More information on this program can be obtained from the nearest Social Services office.

Saskatchewan Rural Development

Upgrading Of Heavy Haul Roads:

Description:

This program provides grants to rural municipalities for the upgrading of roads that have been used for heavy hauling.

Heavy oil activity regions will be one of the major recipients of grants under the program.

Contact:

Rural Development
Planning & Research Branch
3085 Albert Street
Regina, Saskatchewan
S4S 0B1
787-2720

Saskatchewan Finance

Sales Tax Exemptions For Prototype Equipment

Prototype equipment used for research and development purposes is exempt from Education and Health Tax.

The exemption applies to the total production costs, including materials and research and development costs. It includes new materials and component parts purchased for the purpose of being processed, fabricated or incorporated into prototype equipment.

Contact:

Saskatchewan Finance
Taxpayer Services
Regina
787-6645

Saskatchewan Property Management Corporation

Western Purchasing Information Network

The four western provinces signed an agreement in 1989 to reduce trade barriers and allow open tendering of government purchasing in western Canada.

To assist suppliers, Saskatchewan developed an electronic access network called the Western Purchasing Information Network (WPIN). Through WPIN, suppliers can access over $1.2 billion in provincial governments tendering opportunities for western Canada.

Suppliers can access WPIN through the Saskatchewan Property Management Corporation, Buy Saskatchewan Agency, Business Resource Centres, Rural Development Service Centres or directly from their own computer.

Contact:

Saskatchewan Property Management Corporation
Purchasing Agency, WPIN Information Desk
2045 Broad Street
Regina, Saskatchewan S4P 3V7
Telephone: (306) 787-6886
Fax: (306) 787-3023

Western Economic Diversification Canada (WD)

Description:

To broaden the economic base of western Canada, the federal government established a $1.2 billion fund which is administered by WD through the Western Diversification Program.

Assistance comes in the form of contributions. The term "contribution" means there are conditions on the disbursement of funds. The amount of funding, as well as terms and conditions, varies from project to project and is subject to audit. The Western Diversification Program will normally require the contribution to be repaid. The terms of repayment are flexible and will be kept simple and straightforward.

Eligibility:

The most important factor determining whether a new project will receive assistance under the program is the effect it will have on the diversification of the western economy. In evaluating projects, the following questions are raised:

- Will the project introduce a new product or service to Western Canada?
- Does it take a Western Canadian product or service into a new export market?
- Will it introduce a new technology to Western Canada?
- Will it improve productivity throughout an industry in the West?
- Will it help Western Canadians replace imports from outside Canada with their own products?

Projects in the manufacturing sector and from resource-related industries are eligible for assistance under the program. Non-profit organizations will be considered if they present a viable project with long-term commercial potential.

Contact:

Western Economic Diversification Canada
P.O. Box 2025
Suite 601, S.J. Cohen Building
119 - 4th Avenue South
Saskatoon, Saskatchewan
S7K 5X2
Telephone: 975-4373
780-6725 (Regina)

Programs To Assist You

Saskatchewan Programs And Services

Job Creation and Employment

Service	Purpose	Eligibility	Type	Contact
Business Counselling Service	To assist with management expertise	All Sask. business firms	General business information counselling service	Business Centre; Sask. Economic Diversification and Trade
Destination Saskatchewan	To promote the growth of the tourism industry	Tourist industry	Publications and financial assistance for studies, capital facilities, co-operative advertising, tour promotions	Sask. Economic Diversification and Trade
Employment Standards and Workplace Safety Information	To assist employers in complying with labour standards legislation such as wages, hours of work, safety practices, etc.	All employers	Information; guidelines	Sask. Human Resources, Labour and Employment
Labour-Sponsored Venture Capital Program (Type - B single purpose)	To encourage Saskatchewan employees to make equity investments in Saskatchewan - based small businesses. The investment must be made for the purpose of creating, maintaining or protecting jobs	Any small business having fewer than 300 employees and paying at least 25% of its wages and salaries to Saskatchewan residents	Tax credit each of the federal and provincial governments of 20% of the employee's investment. The maximum tax credit that may be applied for in any taxation year is $700 ($1,400 combined federal and provincial credits)	Sask. Economic Diversification and Trade

There are often changes in services and programs available. This information was accurate at time of publication. Please contact your nearest Business Resource Centre for updates.

Service	Purpose	Eligibility	Type	Contact
Management Consulting	To provide a comprehensive management consulting service	Sask. industry	Marketing and feasibility studies, technical assistance, research, industrial engineering	Sask. Research Council
Saskatchewan Works	To assist employment of persons receiving social assistance	Employers	Financial	Sask. Social Services
Tourist Facility Counselling	To provide counselling and technical assistance for planning, design & operation of tourist facilities	Tourist facilities	Counselling and technical assistance on all phases of tourist facilities	Sask. Economic Diversification and Trade

Financial Assistance - Loans and Equity

Service	Purpose	Eligibility	Type	Contact
Sales Tax Exemption For Prototype Equipment	To reduce prototype equipment costs	Businesses and individuals	Financial	Sask. Finance
Financing	Financial assistance for Sask. firms	Most manufacturing and commercial firms	Loans, loan guarantees, equity financing, lease backs	Sask. Economic Development Corporation (SEDCO)
Small Business Investment Incentives Program	To encourage Saskatchewan residents to provide equity investments for small, Saskatchewan - based businesses	Small businesses anywhere in the province engaged in manufacturing and processing, tourism, prescribed agricultural and livestock activities, research and development; development, production or marketing of computer programs. In communities of under 20,000 population, most retail and service businesses are also eligible	Cash incentive to investor	Sask. Economic Diversification and Trade

Service	Purpose	Eligibility	Type	Contact
Community Bond Program	To encourage Saskatchewan residents to invest in new business endeavours in the province	Entrepreneurs and communities in Saskatchewan	Principal of bond amount is guaranteed by provincial government	Sask. Economic Diversification and Trade

Marketing and Promotion

Service	Purpose	Eligibility	Type	Contact
Tourist Facility Counselling	To provide counselling and technical assistance for planning, design and operation of tourist facilities	Tourist facilities	Counselling & technical assistance on all phases of tourist facilities	Sask. Economic Diversification and Trade
Marketing and Promotion	To develop tourism marketing initiatives including direct mail programs, new promotional material, paid media advertising and direct consulting services	Individual non-profit private sector organizations or groups of non-profit private sector organizations working together in a common community or regional project	Financial	Sask. Economic Diversification and Trade

Industry Development, Expansion and Modernization

Service	Purpose	Eligibility	Type	Contact
Business Immigration Program	To attract business immigrant investments to the province which will help create or expand business ventures	Upon arrival in this province, business immigrants must fall into one of three catagories: self-employed, entrepreneur - manager or investor	Facilitate immigration	Sask. Economic Diversification and Trade

Government Procurement

Service	Purpose	Eligibility	Type	Contact
Purchasing Agency	To encourage Sask. firms to sell to the Government of Saskatchewan	All firms	Purchasing for government departments	Sask. Property Management Corporation

Miscellaneous

Service	Purpose	Eligibility	Type	Contact
Provincial Domestic Meat Inspection Program	To provide meat inspection service to abattoirs which do not qualify for federal meat inspection	Abattoirs	Inspection Fee Subsidy	Sask. Agriculture and Food

Service	Purpose	Eligibility	Type	Contact
Airport Assistance Program	Operation and maintenance assistance	Community airports	Cost-sharing	Sask. Highways and Transportation

Federal Programs And Services

Job Creation, Training and Employment

Service	Purpose	Eligibility	Type	Contact
Program for the Employment of the Disadvantaged	To assist the disadvantaged to obtain continuing employment in the private sector	Canadian employers	Wage subsidies	Canadian Employment and Immigration Commission
Recruitment	Filling job vacancies	Any employer	Assistance in securing suitably qualified workers	Canadian Employment and Immigration Commission
Consultative Services	To encourage joint labour/management planning of manpower adjustment in responses to plant expansion, closure or lay-offs	Any employer in Canada	Grant for joint labour/ management consultive committees and employers cost for moving redundant employees to employment in other locations	Canadian Employment and Immigration Commission
Industrial Research Assistance Program (IRAP)	To increase Canadian industrial research for greater effectiveness and competitiveness	Canadian companies, engineering firms, trade associations and consulting firms	Salary subsidy	National Research Council
Science and Engineering Student Program (IRAP-H)	To assist in solving short term scientific, engineering and technological problems	Manufacturing firms	Salary subsidy	National Research Council
Industrial Research	To encourage Ph.D. level university students to seek careers with industrial organizations	Industrial firms	Salary subsidy	Natural Sciences Engineering Research of Canada

Research, Product Development and Technology Transfer

Service	Purpose	Eligibility	Type	Contact
Canadian Agrifood Development Initiative (CAFDI)	To promote agriculture and food product market development projects	Canadian companies, agencies, industry associations and similar entities	Funding for market development projects; production development projects; human resource development projects	Agriculture Canada
Technology Transfer	To transfer atomic energy technology to Canadian industry	Canadian industry	Transfer of technology	Atomic Energy Canada
Housing Technology Incentives Program	To encourage innovation in housing and energy performance	Any Canadian individual or company	Financial	Canadian Mortgage and Housing Corporation
Industrial Co-operation Assistance Program	To assist in the industrialization of Third World countries	Businesses that are at least 51% Canadian owned	Grants for pre-feasibility studies; viability studies, project preparation studies and transfer of Canadian technology	Canadian International Development Agency
Energy From The Forests (ENFOR)	To increase the energy production potential of Canada's forests	Canadian organizations and irms with necessary expertise and facilities	R and D contracts	Canadian Forestry Service
Super Energy Efficient Home Program (R2000)	To encourage the construction of energy efficient housing; train builders and trades people; increase public awareness of benefits of energy efficient housing	Canadian home builders	Funding	Energy, Mines and Resources Canada
Defence Industry Productivity Program	To aid technological competence of Canadian industries producing defense products for export	Canadian manufacturers producing defense products	Financial contributions	Industry, Science and Technology Canada

Service	Purpose	Eligibility	Type	Contact
Industrial Energy Research and Development Program	To encourage research and development of new technology in energy conservation	Incorporated Canadian companies, trade and research organizations, consulting firms	Funding	Energy, Mines and Resources Canada
Buildings Energy Technology Transfer (BETT)	To develop and transfer technical knowledge and skills on energy conservation to the building industry	Canadian builders	Up-to-date technical	Energy, Mines and Resources Canada
Industrial, Commercial and Institutional Task Forces	To promote energy conservation and good energy management practices among owners and builders of commercial and office buildings To act as a conduit between government and business on energy matters relating to this group.	Meetings open to interested businesses and individuals dealing with commercial and office buildings.	Information gathering and dissemination	Energy, Mines and Resources Canada
Energy Management Technology Transfer Seminars	To disseminate information on energy conservation, technology and techniques, improving productivity, ways of measuring energy performance, economics of energy-related investments, and employee motivation	Commercial, institutional, industrial and individual groups interested in energy conservation measures	Information dissemination	Energy, Mines and Resources Canada
Technical Information Services (TIS)	To provide technology information	Small and medium sized manufacturing and processing industries	Up-to-date technological information	National Research Council
Canadian Institute for Scientific and Technical Information	To provide scientific information to industry	Manufacturing and processing companies and engineering firms	Tailored research reports at minimal cost	National Research Council
Program for Industry/ Laboratory Projects (PILP)	To support NRC/ private industry co-operative research and development	Canadian manufacturers	Government contracts	National Research Council

Service	Purpose	Eligibility	Type	Contact
Industrial Research Assistance Program (IRAP)	To increase Canadian industrial research for greater effectiveness and competitiveness	Canadian companies engineering firms, trade associates and consulting firms	Salary subsidy	National Research Council
Science and Engineering Student Program (IRAP-H)	To assist in solving short term scientific engineering and technological problems	Manufacturing firms	Salary subsidy	National Research Council
Contracting Out Science and Technology	To balance in-house and industrial R and D for the government's requirements	Canadian organizations with appropriate research and development facilities	Project funding	Supply and Services Canada
Request for Proposals	Tendering process to invite proposals for various government projects	Varies with type of contract	Contracts	Supply and Services Canada
Inventors' Assistance Program	To assess new inventions	Inventors, manufacturers and processors	Technical and commercial assessment of new inventions and recommendations	The Inventors Assistance Program Office of Research U. of Waterloo, Ontario N2L 3G1

Management Information and Counselling

Service	Purpose	Eligibility	Type	Contact
Inter-Firm Comparisons	To evaluate productivity performance	Manufacturers and processors	Productivity comparison with the rest of industry sector	Industry, Science and Technology Canada
Business Opportunities Sourcing System (BOSS)	To promote Canadian business	Canadian manufacturers and processors	Sourcing system to identify Canadian firms and the products they make	Industry, Science and Technology Canada
C.A.S.E.	To improve methods of doing business	Small business firms	Management counselling assistance	Federal Business Development Bank
Small Business Management Training	Upgrading of managerial capability of small business	Any business firm	Courses and seminars	Federal Business Development Bank

Service	Purpose	Eligibility	Type	Contact
Canadian Native Program	Management counselling for natives	Registered Indians, Indian enterprises and band councils	Management counselling	Indian Affairs
Canadian Institute for Scientific and Technical nformation (CISTI)	To provide scientific information to industry	Manufacturing and processing companies and engineering firms	Tailored research reports at minimal cost	National Research Council
Standards Information Service	To promote voluntary standardization	Manufacturers	Information on mandatory and voluntary standards	Standards Council of Canada
Business Consulting Services	A program whereby senior commerce students provide consulting services (under supervision of faculty staff)	All Sask. based businesses employing 75 or less	Subsidized consulting	Business Consulting Services, College of Commerce, U. of Sask. Saskatoon S7N 0W0

Financial Assistance - Loans & Equity

Service	Purpose	Eligibility	Type	Contact
Canadian Agrifood Development Initiative	To promote agriculture and food product market projects	Canadian companies agencies, industry similar entities	Grants and loans for feasibility studies, markeand& product development	Agriculture Canada
NHA Builders Loans	To finance house building and renovations	Builders and investors in rental housing units	Direct and insured loans	Canadian Mortgage and Housing Corporation
Small Business Loans	Guaranteed loans for business and land	Most business firms	Guaranteed loans	Industry, Science and Technology Canada
Financing	To assist with long term financing	Small Canadian companies	Loans, loan guarantees, equity financing	Federal Business Development Bank
Indian Economic Development	To assist Canadian Indians to develop and expand viable business opportunities on and off reserves	Individual Indians, groups of Indians and Indian bands	Financing and grants	Indian and Northern Affairs
Western Diversification Program	To broaden the economic base of western Canada	Manufacturing and resource related businesses	Repayable financial contributions	Western Economic Diversification Office

Marketing & Promotion

Service	Purpose	Eligibility	Type	Contact
Publishing Grants	To promote Canadian books and periodicals	Canadian owned publishing houses	Grants; purchases Canadian books; publication, translation and promotion assistance	Canada Council
Carnets Systems	To facilitate advance customs arrangements for sample shipments, technical equipment and goods crossing several borders	Canadian companies	Customs waiver	Canadian Chamber of Commerce
Export Initiatives	To increase Canadian exports	Canadian producers of goods and services	Contracting with foreign governments and and international agencies on behalf of Canadian suppliers. Assisting foreign customers to find Canadian sources of goods and services	Canadian Commercial Corporation
Industrial Co-operation Assistance Program	To assist in the industrialization of Third World countries	Businesses that are at 51% Canadian owned	Grants for prefeasibility studies, viability studies, project preparation studies and transfer of Canadian technology	Canadian International Development Agency
Book Publishing Development Program	To stimulate the Canadian book publishing industry	Companies 75% Canadian owned with Canadian authored book sales in excess of $100,000	Financial assistance for certain research and development promotion costs	Dept. of Communications
Program for Export Market Development (PEMD)	To encourage Canadian suppliers to export outside North America	Businesses located and operated in Canada	Cost sharing for trade fairs outside Canada	External Affairs and International Trade
Trade Commissioner Service (TCS)	To service Canadian businessmen as export marketing consultants	Canadian exporters	Advice in foreign market	External Affairs and International Trade

Service	Purpose	Eligibility	Type	Contact
Freight Charges Equalization - Flour for Export	To equalize transportation costs for all Canadian flour millers	Western Canadian millers who export through Eastern ports	Freight equalization payments	External Affairs and International Trade
Export Development	To assist Canadian business to establish and expand in developing countries	Any corporation carrying on business in Canada - 60% Canadian content required	Export Credit Insurance	Export Development Corporation, Calgary, ALTA 403-294-0928

Industry Development, Expansion and Modernization

Service	Purpose	Eligibility	Type	Contact
Canadian Aboriginal Economic Development Strategy	To create employment opportunities for people of Indian ancestry	Persons in all urban and rural areas of Sask.	Financial contributions	Dept. of Industry, Science and Technology
Indian Economic Development	To assist Canadian Indians to develop and expand viable business opportunities on and off reserves	Individual Indians, groups of Indians and Indian bands	Financing; direct loan guarantees	Indian and Northern Affairs

Government Procurement

Service	Purpose	Eligibility	Type	Contact
Visual Arts Grant	To promote Canadian visual art	Public galleries, galleries operated by professional artists, print workshops, independent professional producers	Purchases visual art	Canada Council
Contracting Out, Science and Technology	To balance in-house and industrial R and D for the government's requirements	Canadian organizations with appropriate research and development facilities	Project funding	Supply and Services Canada
Request for Proposals	Tendering process to invite proposals for various government projects	Varies with type of contract	Contracts	Supply and Services Canada

Miscellaneous

Service	Purpose	Eligibility	Type	Contact
Natural Gas Fuelling Station Contribution Program	To subsidize the capital costs of installing a retail natural gas facility	Canadian fuelling stations	Taxable grant	Energy, Mines and Resources Canada
Natural Gas Vehicle Program	To subsidize the cost of a vehicle conversion or new vehicle purchased with a natural gas system	Individuals and fleet operators	Taxable grant	Energy, Mines and Resources Canada
Crown Assets Disposal Corporation	To sell government surplus	General public and private industry	Mailing lists with sales by sealed bid, public auctions and public sales	Supply and Services Canada
Standards Information Service	To promote voluntary standardization	Manufacturers	Information on mandatory and voluntary standards	Standards Council of Canada

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Provincial Departments

Saskatchewan Department of Agriculture and Food
3085 Albert Street
Regina S4S 0B1
787-5140

Saskatchewan Department of Community Services
2151 Scarth Street
Regina S4P 3V7
787-2635

Saskatchewan Department of Economic Diversification and Trade
1919 Saskatchewan Drive
Regina S4P 3V7
787-2300

Saskatchewan Economic Development Corporation (SEDCO)
1106 Winnipeg Street
Regina S4P 3W2
787-7200

Saskatchewan Department of Education
2220 College Avenue
Regina S4P 3V7
787-6030

Saskatchewan Department of Energy and Mines
Toronto Dominion Bank Building
1914 Hamilton Street
Regina S4P 4V4
787-2526

Saskatchewan Department of Environment and Public Safety
3085 Albert Street
Regina S4S 0B1
787-6113

Saskatchewan Department of Finance
2350 Albert Street
Regina S4P 4A6
787-6768

Saskatchewan Department of Health
T.C. Douglas Building
3475 Albert Street
Regina S4S 6X6
787-6125

Saskatchewan Department of Highways and Transportation
London Life Place
1855 Victoria Avenue
Regina S4P 3V5
787-4800

Saskatchewan Department of Human Resources, Labour and Employment
Saskatchewan Place
1870 Albert Street
Regina S4P 3V7
787-2413

Saskatchewan Department of Justice
Corporations Branch
1871 Smith Street
Regina S4P 3V7
787-5550

Saskatchewan Securities Commission
8th Floor - 1914 Hamilton Street
Regina S4P 2W4
787-5645

Workers' Compensation Board
1840 Lorne Street
Regina S4P 2L8
787-4370

Federal Departments

Canadian Patents and Development Ltd.
275 Slater Street
Ottawa K1A 0R3
(613) 990-6096

Copyright Board of Canada
Vanguard Building
Suite 501, 171 Slater Street
Ottawa K1A 0C9
(613) 952-8621

Revenue Canada Taxation
District Office
1955 Smith Street
Regina S4P 2N9
General Information: 780-6015
Tax Forms: 780-6079
Toll Free: 1-800-667-7555

District Office
201 - 21st Street East
Saskatoon S7K 0A8
General Information: 975-4595
Tax Forms: 975-4577

Revenue Canada - Customs & Excise
Central Region
Saskatchewan Division
600 - 2045 Broad Street
Regina S4P 3T7
Operations: 780-6212
Port of Regina: 780-6220

Consumer and Corporate Affairs
2212 Scarth Street
Regina S4P 2J6
780-5384

401 Canada Building
105 - 21st Street East
Saskatoon S7K 0B3
975-4296

Industry, Science & Technology
6th Floor
105 - 21st Street East
Saskatoon S7K 0B3
975-4400

Federal Business Development Bank
Bank of Canada Building, Suite 320
2220 - 12th Avenue
Regina S4P 0M8
780-6478

8th Floor, Canada Building
105 - 21st Street East
Saskatoon S7K 0B3
975-4822

Western Economic Diversification Canada
Saskatchewan Regional Office
601 - 119 4th Avenue South
Saskatoon S7K 5X2
975-4373